

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2019

(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, 2019 and 2018, 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, 2019, 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 opinions 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.



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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, 2019 and 2018, 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 \$1,221,821 and \$1,125,868 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

The Honorable Mayor and
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Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters 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 balance sheets and account group as of December 31, 2019 and 2018, 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, 2019 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2020 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

The Honorable Mayor and
Members of the Borough Council
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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.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 2, 2020

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>Dec. 31,</u> <u>2019</u>	<u>Dec. 31,</u> <u>2018</u>
Current Fund:			
Cash	A-4	\$ 10,838,028	10,321,871
Petty Cash		250	250
Change Funds		200	200
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	34,698	34,998
		<u>10,873,176</u>	<u>10,357,319</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,722,694	1,728,534
Property Acquired for Taxes - Assessed Valuation	A-17	3,844,775	3,844,775
Tax Title Liens	A-6	84,212	358,683
Revenue Accounts Receivable	A-7	164,629	228,550
Local School District Tax Receivable	A-9	2,984	192
Interfunds Receivable	A-19	23,146	133,217
		<u>5,842,440</u>	<u>6,293,951</u>
Deferred Charges:			
Emergency Appropriations	A-22	400,000	400,000
		<u>400,000</u>	<u>400,000</u>
		<u>17,115,616</u>	<u>17,051,270</u>
State and Federal Grant Fund:			
Grants Receivable	A-24	71,840	62,342
Due from Current Fund	A-25	332,023	273,341
		<u>403,863</u>	<u>335,683</u>
		<u>\$ 17,519,479</u>	<u>17,386,953</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2019</u>	<u>Dec. 31,</u> <u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3,A-12	\$ 1,496,979	1,212,083
Local School District Tax Payable	A-9		
Encumbrances Payable	A-13	379,832	178,826
County Added and Omitted Taxes Payable	A-11	13,617	18,280
Tax Overpayments	A-14	2,436	109,237
Prepaid Taxes	A-15	421,544	279,222
Marriage License Fees Payable	A-16	275	250
Reserve for Tax Title Lien Premium	A-18	458,100	583,600
Interfund Payables:	A-19	444,377	357,650
Various Miscellaneous Reserves	A-20	1,006,600	883,316
Accounts Payable	A-21	21,937	21,937
Due to Board of Education	A-23		75,000
		<hr/>	<hr/>
		4,245,697	3,719,401
Reserve for Receivables and Other Assets	A	5,842,440	6,293,951
Fund Balance	A-1	7,027,479	7,037,918
		<hr/>	<hr/>
		17,115,616	17,051,270
State and Federal Grant Fund:			
Appropriated Reserves	A-27	268,412	248,444
Encumbrances Payable	A-26		451
Unappropriated Reserves	A-28	135,451	86,788
		<hr/>	<hr/>
		403,863	335,683
		<hr/>	<hr/>
		\$ 17,519,479	17,386,953
		<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, 2019

	Dec. 31, <u>2019</u>	Dec. 31, <u>2018</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,300,000	2,285,000
Miscellaneous Revenue Anticipated	5,004,971	4,328,365
Receipts from Delinquent Taxes	2,019,969	1,685,764
Receipts from Current Taxes	54,553,370	52,152,459
Nonbudget Revenues	561,173	747,754
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	558,068	1,167,124
Tax Overpayments Cancelled		
Liabilities cancelled		
Grant reserves cancelled		
Prior Year Interfunds Returned		<u>462,937</u>
 Total Revenue	 <u>65,997,551</u>	 <u>62,829,403</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriation within "CAPS":		
Operations:		
Salaries and Wages	9,958,817	9,672,364
Other Expenses	9,808,929	8,941,822
Deferred Charges and Statutory Expenditures	2,316,671	2,036,758
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	4,209,948	4,447,686
Capital Improvements	200,000	200,000
Municipal Debt Service	3,971,087	3,162,282
Deferred Charges and Statutory Expenditures	200,000	
County Taxes	10,087,457	9,537,256
Due County for Added Taxes	13,617	18,280
Local District School Taxes	22,336,883	21,291,850
Tax Overpayment		89,475
Interfund Advanced		192
Refund Prior Year Revenue	4,581	8,632
 Total Expenditures	 <u>63,107,990</u>	 <u>59,406,597</u>
 Excess in Revenue	 <u>2,889,561</u>	 <u>3,422,806</u>
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	400,000	400,000
Statutory Excess to Surplus	3,289,561	3,822,806
Fund Balance - January 1,	<u>7,037,918</u>	<u>5,500,112</u>
	10,327,479	9,322,918
Decreased by Utilization as Anticipated Revenue	<u>3,300,000</u>	<u>2,285,000</u>
Fund Balance - December 31,	<u>\$ 7,027,479</u>	<u>7,037,918</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2019

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 3,300,000	3,300,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	30,000	39,888	9,888
Other	40,000	58,220	18,220
Fees and Permits:			
Other	175,000	691,326	516,326
Construction Code Official	500,000	592,412	92,412
Fines and Costs Municipal Court	180,000	212,587	32,587
Interest and Costs on Taxes	200,000	485,729	285,729
Interest on Investments and Deposits	20,000	47,895	27,895
Consolidated Municipal Property Tax Relief Aid	117,853	84,033	(33,820)
Energy Receipts Tax	632,878	666,698	33,820
Clean Communities	20,381	20,381	
Alcohol Education and Rehabilitation	2,272	2,272	
Municipal Alliance	9,876	9,876	
Target - Night Out	11,000	11,000	
Uniform Fire Safety Act	15,000	43,126	28,126
Commercial Sewer Fees	400,000	587,850	187,850
General Capital Fund Balance	500,000	500,000	
Hotel Tax	300,000	505,850	205,850
PILOT Payments - Waterview Towers	400,000	445,828	45,828
Total Miscellaneous Revenues	<u>3,554,260</u>	<u>5,004,971</u>	<u>1,450,711</u>
Receipts from Delinquent Taxes	<u>1,750,000</u>	<u>2,019,969</u>	<u>269,969</u>
Subtotal General Revenues	8,604,260	7,024,940	1,720,680
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	22,464,828		
Minimum Library Tax	<u>1,354,939</u>	<u>24,215,413</u>	<u>395,646</u>
Budget Totals	32,424,027	31,240,353	2,116,326
Non-Budget Revenue		<u>561,173</u>	<u>561,173</u>
	<u>\$ 32,424,027</u>	<u>31,801,526</u>	<u>2,677,499</u>
Adopted Budget	32,413,027		
Appropriated by N.J.S.A. 40A:4-87	<u>11,000</u>		
	<u>\$ 32,424,027</u>		

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Current Fund
Year ended December 31, 2019

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 54,553,370
Allocated to:	
Local District School Tax	22,336,883
County Taxes	<u>10,101,074</u>
	<u>32,437,957</u>
Balance for Support of Municipal Budget Appropriations	22,115,413
Reserve for Uncollected Taxes	<u>2,100,000</u>
	<u>\$ 24,215,413</u>
Receipts from:	
Delinquent Tax Collections	\$ 1,728,534
Tax Title Liens	<u>291,435</u>
	<u>\$ 2,019,969</u>

Analysis of Miscellaneous Revenue Not Anticipated

Police Fees	\$ 3,193
PILOT	6,555
Miscellaneous	74,566
Parking Permits	5,520
Advertising Fees	49,289
Electric Car Meters	649
Sale of Assets	27,036
Municipal JIF Reimbursement	24,730
Polling Place	883
Credit Card Fees	9,012
Sewer Connection Fees	11,000
State Housing	20,402
Parking Meters	37,328
Offsets Not Applied	59,682
FEMA	2,730
Ambulance Fees	<u>228,598</u>
	<u>\$ 561,173</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>	
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 546,000	501,250	489,611	11,639	
Other Expenses	291,250	291,250	259,153	32,097	
Mayor and Council:					
Salaries and Wages	93,000	93,000	93,000		
Elections:					
Salaries and Wages	5,014	5,014	2,726	2,288	
Other Expenses	7,560	7,560	5,671	1,889	
Financial Administration:					
Annual Audit	25,000	37,000	36,565	435	
Other Expenses	65,000	82,750	82,750		
Collection of Taxes:					
Salaries and Wages	100,000	126,000	125,961	39	
Other Expenses	37,300	37,300	37,168	132	
Assessment of Taxes:					
Salaries and Wages	65,000	66,300	66,297	3	
Other Expenses:					
Consultant and Legal Fees-Tax Appeals	56,000	56,000	13,545	42,455	
Miscellaneous Other Expenses	24,690	24,690	17,343	7,347	
Legal Services and Costs:					
Other Expenses	705,000	1,105,000	952,550	152,450	
Engineering Service and Cost:					
Miscellaneous Other Expenses	125,000	140,000	139,340	660	
Insurance:					
Hospitalization	3,020,000	3,020,000	2,737,589	282,411	
Other Insurance	732,000	732,000	723,163	8,837	
Public Building and Grounds:					

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>
Other Expenses	250,000	255,000	247,261	7,739	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	7,500	7,500	7,034	466	
Other Expenses	15,000	15,000	12,829	2,171	
Zoning Board:					
Salaries and Wages	7,500	16,100	16,034	66	
Other Expenses	30,000	30,000	16,884	13,116	
Rent Leveling Board:					
Salaries and Wages	7,500	7,500	6,884	616	
Other Expenses	11,700	11,700	3,743	7,957	
Housing Inspector:					
Other Expenses	575	575		575	
PUBLIC SAFETY:					
Fire:					
Salaries and Wages	400,000	350,000	339,093	10,907	
Other Expenses	248,200	248,200	245,534	2,666	
Fire Hydrant Services	617,935	167,935	157,054	10,881	
Volunteer First Aid:					
Salaries and Wages	289,300	373,425	373,424	1	
Other Expenses	136,607	136,607	88,098	48,509	
Fire Prevention:					
Other Expenses	29,800	29,800	26,222	3,578	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Police:					
Salaries and Wages	5,400,000	5,370,000	5,339,753	30,247	
Other Expenses:					
Miscellaneous Other Expenses	262,820	272,820	270,333	2,487	
Automobiles	85,150	85,150	62,834	22,316	
Emergency Management Services:					
Salaries and Wages	6,000	6,000	5,000	1,000	
Other Expenses	3,000	3,000	316	2,684	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,900,000	1,850,000	1,830,876	19,124	
Other Expenses	220,384	220,384	201,766	18,618	
Snow Removal - Other Expenses	83,000	83,000	32,406	50,594	
Health and Welfare:					
Board of Health:					
Salaries and Wages	145,000	120,000	117,803	2,197	
Other Expenses	176,858	176,858	110,749	66,109	
Dog Regulation - Other Expenses	4,900	4,900	4,126	774	
Administration of Public Assistance:					
Emergency Assistance	1,500	1,500		1,500	
Recreation and Education:					
Parks and Playgrounds - Other Expenses	99,000	99,000	62,886	36,114	
Recreation:					
Salaries and Wages	525,000	480,000	425,999	54,001	
Other Expenses	200,000	280,000	276,058	3,942	
Celebration of Public Event, Anniversary or Holiday - Other Expenses	35,000	35,000	32,172	2,828	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>
Senior Citizens Committee:					
Other Expenses	20,350	28,350	27,879	471	
Sanitation:					
Garbage and Trash removal:					
Other Expenses	825,000	825,000	779,365	45,635	
Recycling Program:					
Salaries and Wages	51,533	51,533	49,626	1,907	
Municipal Court:					
Salaries and Wages	175,220	175,220	158,066	17,154	
Other Expenses	25,000	25,000	15,603	9,397	
Occupational Safety Health Act					
Board of Health - Other Expenses	2,000	2,000	983	1,017	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code Official:					
Salaries and Wages	355,000	355,000	348,008	6,992	
Other Expenses	100,000	100,000	77,486	22,514	
UNCLASSIFIED:					
Utilities:					
Gas & Electric	390,000	390,000	266,834	123,166	
Street Lighting	225,000	225,000	188,605	36,395	
Water	90,000	113,000	107,625	5,375	
Fuel	120,000	120,000	91,298	28,702	
Telephone	250,600	250,600	220,692	29,908	
Pilots - Bergen County 5%	35,000	35,000	23,190	11,810	
Salary and Wage Adjustment	125,000	4,975		4,975	
Total Operations within "CAPS"	19,886,746	19,762,746	18,450,863	1,311,883	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>	
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent-within "CAPS"	19,891,746	19,767,746	18,450,863	1,316,883	
Detail:					
Salaries & Wages	10,203,567	9,958,817	9,795,195	163,622	
Other Expenses (Including Contingent)	9,688,179	9,808,929	8,655,668	1,153,261	
	19,891,746	19,767,746	18,450,863	1,316,883	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES:					
Emergency Authorizations	200,000	200,000	200,000		
Prior Year Bills:					
Harbor Auto Body - DPW OE	13,703	13,703	13,702		1
Associated Appraisal Group - Assessor OE	250	250	250		
T&G Auto - DPW OE	2,219	2,219	2,219		
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	462,000	462,000	451,916	10,084	
Social Security System (O.A.S.I.)	500,000	500,000	486,199	13,801	
Consolidated Police and Firemen's Pension Fund	10,000	10,000		10,000	
Police and Firemen's Retirement System	1,050,000	1,124,000	1,123,969	31	
Unemployment Insurance	4,500	4,500		4,500	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,242,672	2,316,672	2,278,255	38,416	1

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>	
Total General Appropriations for Municipal Purposes within "CAPS"	22,134,418	22,084,418	20,729,118	1,355,299	1
Operations-Excluded from "CAPS"					
Maintenance of Free Public Library	1,355,000	1,355,000	1,228,938	126,062	
LOSAP	83,950	83,950	69,000	14,950	
Reserve for Tax Appeals	200,000	200,000	200,000		
Bergen County Utilities Authority-Share of Costs -Sewer Operating	2,525,000	2,525,000	2,524,332	668	
Total Operations-Excluded from "CAPS"	4,163,950	4,163,950	4,022,270	141,680	
Public and Private Programs Offset with Revenues:					
Clean Community Program	20,381	20,381	20,381		
Target - National Night Out	11,000	11,000	11,000		
Municipal Alliance:					
Other Expenses	9,876	9,876	9,876		
Matching Funds	2,469	2,469	2,469		
Alcohol Education Rehabilitation fund	2,272	2,272	2,272		
Total Public and Private Programs Offset with Revenue	45,998	45,998	45,998		
Total Operations-Excluded from "CAPS"	4,209,948	4,209,948	4,068,268	141,680	
Detail:					
Other Expenses	4,209,948	4,209,948	4,068,268	141,680	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

<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>
Capital Improvements-Excluded from "CAPS"					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements Excluded from "CAPS"	200,000	200,000	200,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	1,855,000	1,855,000	1,855,000		38,738
Interest on Bonds	488,538	488,538	449,800		16,560
Interest on Notes	1,208,160	1,208,160	1,191,600		389
Green Trust Loan Program	91,000	91,000	90,611		
BCIA					
Principal	52,000	52,000	52,000		
Interest	3,963	3,963	3,963		
New Jersey Infrastructure Trust Loan					
Principal	298,000	298,000	297,816		184
Interest	33,000	33,000	30,297		2,703
Total Municipal Debt Service-Excluded from "CAPS"	4,029,661	4,029,661	3,971,087		58,574
Deferred Charges:					
Emergency Authorization	200,000	200,000	200,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	200,000	200,000	200,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,639,609	8,639,609	8,439,355	141,680	58,574
Subtotal General Appropriations	30,774,027	30,724,027	29,168,473	1,496,979	58,575

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Reserve for Uncollected Taxes	2,100,000	2,100,000	2,100,000		
Total General Appropriations	\$ 32,874,027	32,824,027	31,268,473	1,496,979	58,575

Adopted Budget 32,413,027
 Added by N.J.S.A. 40A: 4-87 11,000
 Emergency 400,000
\$ 32,824,027

Analysis of Paid or Charged

Federal and State Grant Fund	45,998
Deferred Charges	400,000
Transfer to Reserve for Overpayments	200,000
Reserve for Uncollected Taxes	2,100,000
Reserve for Encumbrances	379,832
Cash	28,142,643
	<u>\$ 31,268,473</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Animal License Fund:			
Cash	B-1	\$ <u>100</u>	<u>41</u>
Escrow Trust Fund:			
Cash	B-1	<u>168,439</u>	<u>148,217</u>
Other Trust Funds:			
Cash	B-1	773,462	788,660
Interfunds Receivable	B-5	<u>741</u>	<u>741</u>
		<u>774,203</u>	<u>789,401</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,148,221	1,056,868
Contributions Receivable	B-7	<u>73,600</u>	<u>69,000</u>
		<u>1,221,821</u>	<u>1,125,868</u>
		<u>\$ 2,164,563</u>	<u>2,063,527</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	95	36
Due to State of New Jersey	B-3	5	5
		<u>100</u>	<u>41</u>
Escrow Trust Fund:			
Escrow Deposits	B-4	168,401	148,184
Due to Current Fund	B-5	38	33
		<u>168,439</u>	<u>148,217</u>
Other Trust Funds:			
Interfunds Payable	B-5	55,323	45,509
Reserve for:			
Cemetery Bequests	B-6	16,937	31,925
Bullet Proof Vests	B-6	13,604	11,339
Ferry Performance Security	B-6	195,447	195,447
Fire Prevention	B-6	2,259	7,991
POAA	B-6	12,835	13,264
Cultural and Historical Society	B-6	1,152	1,152
Regional Contribution Agreement	B-6	332,197	332,197
Council on Affordable Housing	B-6	69,343	69,414
Recycling Fees	B-6	19,000	19,000
Recycling	B-6	16,197	25,165
Bergen County CDA Trust	B-6	102	111
Flexible Spending Trust	B-6	23,902	10,162
Avalon Trust	B-6		18,093
Municipal Alliance Trust	B-6	8,292	4,109
Shade Tree	B-6	4,504	1,414
Police Confiscated	B-6	3,109	3,109
		<u>774,203</u>	<u>789,401</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	1,221,821	1,125,868
		<u>\$ 2,164,563</u>	<u>2,063,527</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash:			
Checking	C-2,C-3	\$ 5,708,694	8,142,793
Deferred Charges to Future Taxation:			
Funded	C-4	44,292,421	19,322,953
Unfunded	C-5	27,775,507	55,649,352
Grants Receivable:			
New Jersey Department of Transportation	C-6	180,392	262,246
Federal Emergency Management Agency	C-7	7,336	7,336
Community Development Block Grant	C-8	72,907	72,907
Interfunds Receivable	C-9	1,229,828	99,483
Over-Expenditure of Ordinance Appropriation	C-10	2,827	2,827
		<u>79,269,912</u>	<u>83,559,897</u>
		\$	
		<u>79,269,912</u>	<u>83,559,897</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Inerfunds Payable	C-9	31,165	
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-11	1,463,043	1,760,859
Green Trust Loan Payable	C-12	1,195,379	1,261,094
Serial Bonds Payable	C-13	41,515,000	16,130,000
Capital Leases Payable	C-14	119,000	171,000
Bond Anticipation Notes	C-15	2,325,000	30,204,000
Reserve for Payment of Debt	C-16	1,388,909	1,838,010
Reserve for Green Acres	C-17	14,653	12,004
Capital Improvement Fund	C-18	674,346	541,346
Improvement Authorizations:			
Funded	C-19	2,775,896	1,268,983
Unfunded	C-19	26,291,883	28,356,888
Unappropriated State Grant	C-20	79,408	79,408
Reserve for Grants Receivable	C-21	72,907	130,651
Fund Balance	C-1	1,323,323	1,805,654
		<u>79,269,912</u>	<u>83,559,897</u>
		\$	
		<u>79,269,912</u>	<u>83,559,897</u>

There were \$25,450,507 and \$26,502,507 of Bonds and Notes Authorized But Not Issued December 31, 2019 and 2018 (Exhibit C-22).

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Balance - January 1,	\$ 1,805,654	1,478,169
Increased by Receipts:		
Prior Year Void Checks	500	
Close Out of Escrow		4,999
Premium Received on Sale of:		
Bonds	1,404,265	
Bond Anticipation Notes	12,905	722,486
	<u>1,417,670</u>	<u>727,485</u>
	3,223,323	2,205,654
Decreased by Disbursements:		
Budget Revenue Realized	500,000	400,000
Utilized for Paydown of Bond Anticipation Notes	1,400,000	
	<u>1,900,000</u>	<u>400,000</u>
Balance - December 31,	<u>\$ 1,323,323</u>	<u>1,805,654</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>Dec 31,</u> <u>2019</u>	<u>Dec 31,</u> <u>2018</u>
Operating Fund:			
Cash	D-5	537,557	481,122
Interfund Receivables	D-8	334,165	300,590
Grants Receivable	D-9	<u>58,136</u>	<u>72,576</u>
Total Operating Fund		<u>929,858</u>	<u>854,288</u>
Capital Fund:			
Cash	D-6,7	1,446,980	346,904
Due from the Federal Emergency Management Agency	D-14	247,943	247,943
Fixed Capital Authorized and Uncompleted	D-15	<u>1,892,996</u>	<u>1,892,996</u>
Total Capital Fund		<u>3,587,919</u>	<u>2,487,843</u>
		<u>\$ 4,517,777</u>	<u>3,342,131</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>Dec 31,</u> <u>2019</u>	<u>Dec 31,</u> <u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4/D-10	81,985	114,449
Reserve for Encumbrances	D-11	2,140	33,030
Prepaid Slip Rental Revenue	D-12	11,000	13,580
Accrued Interest on Notes	D-13	4,432	4,432
Fund Balance	D-1	<u>830,301</u>	<u>688,797</u>
Total Operating Fund		<u>929,858</u>	<u>854,288</u>
Capital Fund:			
Interfund Payables	D-16	1,389,000	300,590
Improvement Authorizations:			
Funded	D-17	223,470	223,470
Unfunded	D-17	50,321	67,585
Reserve for Amortization	D-18	145,000	64,000
Deferred Reserve for Amortization	D-19	742,996	742,996
Serial Bonds Payable	D-20	1,005,000	
Bond Anticipation Notes Payable	D-21		1,086,000
Fund Balance	D-2	<u>32,132</u>	<u>3,202</u>
Total Capital Fund		<u>3,587,919</u>	<u>2,487,843</u>
		<u>\$ 4,517,777</u>	<u>3,342,131</u>

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2019 and December 31, 2018. (Exhibit D-22)

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

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

Marina Utility Operating Fund

For Years ended December 31,

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Operating Revenues	\$ 471,071	515,697
Miscellaneous Revenue Not Anticipated	6,384	2,384
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>90,774</u>	<u>15,395</u>
Total income	<u>568,229</u>	<u>533,476</u>
Expenditures:		
Operations:		
Salaries and Wages	150,000	150,000
Other Expenses	216,725	272,576
Debt Service	60,000	22,750
Deferred Charges	<u>2,302</u>	<u>2,302</u>
Total expenditures	<u>426,725</u>	<u>447,628</u>
Excess/(Deficit) in Operations	141,504	85,848
Fund Balance, January 1	<u>688,797</u>	<u>602,949</u>
Fund Balance, December 31,	<u>\$ 830,301</u>	<u>688,797</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, 2019

	<u>2019</u>	<u>2018</u>
Balance - January 1,	\$ 3,202	3,202
Increased by:		
Cash Receipts - Premium on Bonds	<u>109,930</u>	<u> </u>
	113,132	3,202
Decreased by :		
Utilized for Paydown of Bond Anticipation Notes	<u>81,000</u>	<u> </u>
Balance - December 31,	<u>\$ 32,132</u>	<u>3,202</u>

See accompanying notes to financial statements

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2019

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Revenues:			
Membership Fees/Slip Rentals	\$ 426,000	454,346	28,346
FY19 Port Security Grant	16,725	16,725	
	<u>442,725</u>	<u>471,071</u>	<u>28,346</u>
Total Operating Revenues			
	<u>442,725</u>	<u>471,071</u>	<u>28,346</u>
Non-Budget Revenue		6,384	6,384
		<u>6,384</u>	
Total Revenues	\$ <u>442,725</u>	<u>477,455</u>	<u>34,730</u>
Adopted Budget	\$ 426,000		
Added by N.J.S. 40 A:4-87	16,725		
	<u>442,725</u>		
	\$ <u>442,725</u>		
<u>Analysis of Operating Revenues</u>			
	Cash Receipts	\$ 444,740	
	Grants Receivable	16,725	
	Interfunds	2,410	
	Prepaid Applied	13,580	
		<u>\$ 477,455</u>	
<u>Non-Budget Revenue</u>			
	Interest on Investments	3,836	
	Interest on Investments - Utility Capital Fund	2,410	
	PY Void Check	138	
		<u>6,384</u>	
		\$ <u>6,384</u>	

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of Expenditures - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2019

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 150,000	150,000	113,590	36,410	
Other Expenses	200,000	200,000	171,150	28,850	
2019 Port Security	16,725	16,725		16,725	
Debt Service:					
Payment of Bond Anticipation Notes	16,000	16,000			16,000
Interest on Notes	60,000	60,000	60,000		
	<u>\$ 442,725</u>	<u>442,725</u>	<u>344,740</u>	<u>81,985</u>	<u>16,000</u>
		Adopted Budget 426,000			
		Added by N.J.S.A. 40A: 4-87 16,725			
		<u>442,725</u>			
		Reserve for Encumbrances 2,140			
		Cash Disbursed 342,600			
			<u>\$ 344,740</u>		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash	E-1	\$ <u>4</u>	<u>16,327</u>
		\$ <u><u>4</u></u>	<u><u>32,627</u></u>
<u>Reserve</u>			
Reserve for Public Assistance	E-2	\$ <u>4</u>	<u>32,627</u>
		\$ <u><u>4</u></u>	<u><u>32,627</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Sewer Facilities Grant Fund
December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Land	\$ 38,539,571	38,531,236
Buildings	11,102,862	11,003,812
Vehicles and Equipment	<u>12,556,296</u>	<u>11,970,701</u>
	<u>\$ 62,198,729</u>	<u>61,505,749</u>
Investment in Fixed Assets	<u>\$ 62,198,729</u>	<u>61,505,749</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2019 and 2018

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, 2019 and 2018
(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. Effective December 31, 2017, the Borough transferred administration of the general assistance program to the Bergen County Board of Social Services.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

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

Payroll Account - This account is used for all net payroll checks distributed to employees and all payroll agency transactions.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

Basis of Accounting, (continued)

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.

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
- Payroll Account

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

Basis of Accounting, (continued)

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, 2019, the Mayor and Council amended the budget by \$11,000 for additional grants received in addition to several budget transfers. Additionally, a \$400,000 emergency appropriation was approved for legal fees with respect to ongoing litigation.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

Basis of Accounting, (continued)

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.

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, 2019 and 2018
(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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment 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. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

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.

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 Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

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

Police and Firemens' Retirement System (PFRS)

Plan Description

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% 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. 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>
2019	\$484,885	\$1,123,969	-0-
2018	438,447	1,046,070	-0-
2017	417,424	927,615	-0-

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2. PENSION PLANS, (continued)

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, 2019, the Borough had a liability of \$9,351,627 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Borough's proportion was .0519001931 percent, which was an increase/(decrease) of .00331426 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$484,885. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$167,849	\$41,311
Changes of assumptions	933,794	3,245,920
Net difference between projected and actual earnings on pension plan investments		147,619
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>823,213</u>	<u>102,414</u>
Total	<u>\$1,924,856</u>	<u>\$3,537,264</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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:	
2020	\$(270,032)
2021	(875,980)
2022	(782,199)
2023	(367,283)
2024	(37,713)

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Borough's Proportion	.0519001931%	.04858593%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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, (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 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 employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

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, 2019 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, 2019		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Borough's proportionate share of the pension liability	\$11,829,745	\$9,351,627	\$7,263,462

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.

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Borough had a liability of \$13,772,181 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Borough's proportion was .112537875 percent, which was a decrease of .00242884 percent from its proportion measured as of June 30, 2018.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

For the year ended December 31, 2019, the Borough recognized pension expense of \$1,123,969. At December 31, 2019, 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	\$116,255	\$87,194
Changes of assumptions	471,910	4,451,043
Net difference between projected and actual earnings on pension plan investments		186,609
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>407,521</u>	<u>675,360</u>
Total	<u>\$995,686</u>	<u>\$5,400,206</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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 (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(722,015)
2021	(1,515,624)
2022	(1,073,380)
2023	(529,103)
2024	(269,559)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Additional Information

Local Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Borough's Proportion	.1125378750%	.11496671%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, 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, 2019 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, 2019</u>		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Borough's proportionate share of the pension liability	\$19,379,655	\$13,772,181	\$9,131,188

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,174,654 and \$2,113,146, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$252,677 and \$250,299, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$146,527 and \$125,149, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

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, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2019</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation Debt	\$16,130,000	\$27,240,000	\$1,855,000	\$41,515,000	\$3,035,000
Bonds Payable - Marina Utility Debt		1,005,000		1,005,000	65,000
Other Liabilities:					
New Jersey Wastewater Loans	1,760,859		297,816	1,463,043	283,334
Green Acres Trust Loans	1,261,094		65,715	1,195,379	67,036
Capital Leases Payable	171,000		52,000	119,000	57,000
Compensated Absences Payable	<u>1,252,914</u>	<u>302,246</u>	<u>127,026</u>	<u>1,428,134</u>	
	<u>\$20,575,867</u>	<u>\$28,547,246</u>	<u>\$2,397,557</u>	<u>\$46,725,556</u>	<u>\$3,507,370</u>

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2018</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation Debt	\$17,605,000	\$	\$1,475,000	\$16,130,000	\$1,225,000
Other Liabilities:					
New Jersey Wastewater Loans	2,050,419		289,560	1,760,859	288,816
Green Acres Trust Loans	224,426	1,057,155	20,487	1,261,094	65,716
Capital Leases Payable	220,000		49,000	171,000	52,000
Compensated Absences Payable	<u>1,448,834</u>	<u>137,837</u>	<u>333,757</u>	<u>1,252,914</u>	
	<u>\$21,548,679</u>	<u>\$1,194,992</u>	<u>\$2,167,804</u>	<u>\$20,575,867</u>	<u>\$1,631,532</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
Issued:			
General Bonds and Notes	\$477,455	\$46,334,000	\$47,878,000
Marina Utility Bonds	1,005,000	1,086,000	402,000
Loans Payable	<u>2,658,422</u>	<u>3,021,953</u>	<u>2,274,845</u>
Net Debt Issued	<u>4,140,877</u>	<u>50,441,953</u>	<u>50,554,845</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>25,450,507</u>	<u>26,502,507</u>	<u>25,142,303</u>
Total Authorized But Not Issued	<u>25,450,507</u>	<u>26,502,507</u>	<u>25,142,303</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes	<u>1,388,909</u>	<u>1,838,011</u>	<u>2,583,594</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$28,202,475</u>	<u>\$75,106,449</u>	<u>\$73,113,554</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 1.802% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$27,685,000	\$27,685,000	\$0
General Debt	71,948,929	1,388,909	70,560,020
Marina Utility Debt	<u>1,005,000</u>	<u>1,005,000</u>	<u>0</u>
	<u>\$100,638,929</u>	<u>\$30,078,909</u>	<u>\$70,560,020</u>

Net debt of \$70,560,020 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,914,987,451 equals 1.802% for 2019.

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 1.988% for 2018.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$28,438,000	\$28,438,000	\$0
General Debt	75,858,460	1,838,011	74,020,449
Marina Utility Debt	<u>1,086,000</u>	<u>1,086,000</u>	<u>0</u>
	<u>\$105,382,460</u>	<u>\$31,362,011</u>	<u>\$74,020,449</u>

Net debt of \$74,020,449 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,723,913,621 equals 1.988% for 2018.

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

	<u>2019</u>	<u>2018</u>
3 ½% of equalized valuation basis (municipal)	\$137,024,561	\$130,336,977
Net Debt	<u>70,560,020</u>	<u>74,020,449</u>
Remaining borrowing power	<u>\$66,464,541</u>	<u>\$56,316,528</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2019</u>	<u>2018</u>
Cash receipts from fees, rents or other charges for year	\$477,455	\$518,081
Deductions:		
Operating and Maintenance Cost	366,725	422,576
Debt Service Per Marina Utility	60,000	22,750
Deferred Charges Per Marina Utility		
Total Deductions	<u>426,725</u>	<u>445,326</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$50,730</u>	<u>\$72,755</u>

The Borough's long-term debt consisted of the following at December 31, 2019.

Paid by Current Fund:

	<u>2019</u>	<u>2018</u>
New Jersey Environmental Infrastructure Loans Payable Wastewater Improvements issued 2000, 2001, 2007 and 2010, due through 2030	\$1,463,043	\$1,760,859
\$11,085,000 General Serial Bonds with interest rates of 2.00 -3.125% issued July 15, 2015, due through July 15, 2031	9,155,000	9,905,000
\$4,884,000 General Obligation Bonds with interest rates of 3.00 - 5.00% issued June 30, 2009, due through August 15, 2024		175,000
\$7,395,000 Refunding Bonds with interest rates 2.00 - 4.00%, issued January 25, 2012, due through June 1, 2021	1,865,000	2,795,000
Green Acres Loan issued 2008, due through 2027	183,041	203,939
Green Acres Loan issued 2018, due through 2038	1,012,338	1,057,155
\$3,285,000 Refunding Bonds with interest rates of 2.00% to 4.00% issued October 31, 2016, due through August 15, 2024	3,255,000	3,255,000
\$27,240,000 General Improvement Bonds with interest rates of 1.00% to 4.00%, issued July 9, 2019, due through February 15, 2034	<u>27,240,000</u>	<u> </u>
	<u>\$44,173,422</u>	<u>\$19,151,953</u>

Paid by Marina Utility Fund:

<u>Marina Utility Serial Bonds:</u>	<u>2019</u>	<u>2018</u>
\$1,005,000 General Improvement Bonds with an interest rate of 3.00% to 4.00% issued July 9, 2019, due through February 15, 2029	<u>\$1,005,000</u>	<u>\$ -0-</u>
Total Marina Utility Bonds	<u>\$1,005,000</u>	<u>\$ -0-</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$3,035,000	\$1,390,350	\$283,334	\$26,513	67,036	\$23,438	4,825,671
2021	3,070,000	1,220,113	164,289	20,458	68,384	22,087	4,565,331
2022	3,165,000	1,126,713	173,459	18,065	69,758	20,710	4,573,705
2023	3,245,000	1,013,313	169,808	15,515	71,161	19,305	4,534,102
2024	3,370,000	870,113	166,704	12,965	72,591	17,872	4,510,245
2025-2029	13,160,000	2,846,363	495,449	26,560	334,939	67,583	16,930,894
2030-2034	12,470,000	622,975	10,000	450	290,363	37,456	13,431,244
2035-2038					221,147	8,371	229,518
	<u>\$41,515,000</u>	<u>\$9,089,940</u>	<u>\$1,463,043</u>	<u>\$120,526</u>	<u>\$1,195,379</u>	<u>\$216,822</u>	<u>\$53,600,710</u>

<u>Marina Utility Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$65,000	\$40,625	105,625
2021	70,000	35,000	35,000
2022	75,000	32,100	32,100
2023	80,000	29,000	29,000
2024	85,000	25,700	25,700
2025-2029	510,000	72,200	72,200
2030-2034	<u>120,000</u>	<u>1,800</u>	<u>1,800</u>
	<u>\$1,005,000</u>	<u>\$236,425</u>	<u>\$301,425</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, 2019 and 2018, the Borough had authorized but not issued debt as follows:

	<u>2019</u>	<u>2018</u>
General Capital Fund	\$25,450,507	\$26,502,507
Marina Utility Capital Fund	-0-	-0-

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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.

On December 31, 2019 and 2018, the Borough had \$2,325,000 and \$30,204,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$-0- and \$1,086,000, respectively, in outstanding Marina Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2019 and 2018.

<u>2019</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
General Capital Notes Payable:				
Jefferies, LLC	\$	\$2,325,000	\$	\$2,325,000
JP Morgan Securities, LLC	<u>30,204,000</u>		<u>30,204,000</u>	<u>0</u>
	<u>30,204,000</u>	<u>2,325,000</u>	<u>30,204,000</u>	<u>2,325,000</u>
Marina Utility Capital Notes Payable:				
JP Morgan Securities, LLC	<u>1,086,000</u>		<u>1,086,000</u>	<u>0</u>
	<u>1,086,000</u>	<u>0</u>	<u>1,086,000</u>	<u>0</u>
	<u>\$31,290,000</u>	<u>\$2,325,000</u>	<u>\$31,290,000</u>	<u>\$2,325,000</u>
<u>2018</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Capital Notes Payable:				
JP Morgan Securities, LLC	<u>\$30,273,000</u>	<u>\$30,204,000</u>	<u>\$30,273,000</u>	<u>\$30,204,000</u>
	<u>30,273,000</u>	<u>30,204,000</u>	<u>30,273,000</u>	<u>30,204,000</u>
Marina Utility Capital Notes Payable:				
JP Morgan Securities, LLC	<u>402,000</u>	<u>1,086,000</u>	<u>402,000</u>	<u>1,086,000</u>
	<u>402,000</u>	<u>1,086,000</u>	<u>402,000</u>	<u>1,086,000</u>
	<u>\$30,675,000</u>	<u>\$31,290,000</u>	<u>\$30,675,000</u>	<u>\$31,290,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 sheets of the Current Fund and the Capital Fund:

	<u>Balance Dec.31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
Current Fund:			
Emergency Appropriation	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$ -0-</u>
Total Current Fund	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$ -0-</u>
	<u>Balance Dec.31, 2018</u>	<u>2019 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
Current Fund:			
Emergency Appropriation	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$ -0-</u>
Total Current Fund	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$ -0-</u>

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2019 which has been appropriated as revenue in the 2020 budget is as follows:

Current Fund	\$3,300,000
Marina Utility	25,000

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, 2019 and 2018, the Borough estimated the current cost of such unpaid compensation to approximate \$1,428,134 and \$1,252,914, respectively.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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, 2019 and 2018, \$-0- of the Borough's bank balance of \$20,079,478 and \$20,680,350, 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.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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, 2019 and 2018 amounted to \$1,148,221 and \$1,056,868, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fixed Account Plus	\$581,669	\$607,903
Money Market I Fund	159,306	136,421
Stock Index Fund	272,291	221,958
All Others	<u>134,955</u>	<u>90,586</u>
Total	<u>\$1,148,221</u>	<u>\$1,056,868</u>

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2019 and 2018.

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Land and Improvements	\$38,533,536	\$6,035	\$	\$38,539,571
Buildings and Building Improvements	11,001,512	101,350		11,102,862
Vehicles, Machinery and Equipment	<u>11,970,701</u>	<u>861,870</u>	<u>276,275</u>	<u>12,556,296</u>
	<u>\$61,505,749</u>	<u>\$969,255</u>	<u>\$276,275</u>	<u>\$62,198,729</u>
	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Land and Improvements	\$38,503,536	\$30,000	\$	\$38,533,536
Buildings and Building Improvements	10,380,802	626,941	6,231	11,001,512
Vehicles, Machinery and Equipment	<u>11,719,379</u>	<u>716,988</u>	<u>465,666</u>	<u>11,970,701</u>
	<u>\$60,603,717</u>	<u>\$1,373,929</u>	<u>\$471,897</u>	<u>\$61,505,749</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2019 consist of the following:

\$19,358	Due to the Current Fund from the Other Trust Fund for interest earnings.
52	Due to the Current Fund to the Other Trust Fund - POAA for deposits made.
33	Due from the Current Fund to the Other Trust Fund - Bullet Proof Vests for deposits made.
16	Due from the Current Fund to the Other Trust Fund - Municipal Alliance for deposits made.
38	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
640	Due to the Current Fund from the Other Trust Fund - Flexible Spending for deposits made.
3,750	Due to the Current Fund from the Other Trust Fund - Bergen County CDA for deposits and not transferred.
332,023	Due to Federal and State Grant Fund from Current Fund to reimburse for grant expenditures incurred less grants received.
111,613	Due to the General Capital Fund from the Current Fund for proceeds from note issuance and interest earnings less deposit errors.
303,000	Due to the Marina Utility Operating Fund from the Marina Utility Capital Fund for cash advance plus interest earnings.
31,165	Due to the Marina Utility Operating Fund from the General Capital Fund for grant receipts received and not transferred.
1,086,000	Due to the General Capital Fund from the Marina Utility Capital Fund for payment of bond anticipation notes.
<u>32,214</u>	Due to the General Capital Fund from the Bergen County CDA Trust Fund for funds received and not transferred.
<u>\$1,919,902</u>	

All interfunds have been liquidated during the fiscal year.

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>
2020	\$57,000	\$2,592	\$59,592
2021	<u>62,000</u>	<u>917</u>	<u>62,917</u>
	<u>\$119,000</u>	<u>\$3,509</u>	<u>\$122,509</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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 2019, 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.

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:

	Balance <u>Dec. 31, 2019</u>	Balance <u>Dec. 31, 2018</u>
Prepaid Taxes	<u>\$421,544</u>	<u>\$279,222</u>
Cash Liability for Taxes Collected in Advance	<u>\$421,544</u>	<u>\$279,222</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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 al (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.

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, 2019. 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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.

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension benefits described in Note 2, the Borough provides postemployment 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.

General Information about the OPEB Plan

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.

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 75. 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Total OPEB Liability

At December 31, 2019, the Borough had a liability of \$43,822,854 for its OPEB liability. The OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date. The liability is broken out as follows:

Actives	\$26,514,060
Retirees	<u>17,308,794</u>
Total	<u>\$43,822,854</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$2,583,938. At December 31, 2019, the Borough did not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined based upon census, plan design and cost information provided by the Fund. Census includes 62 retirees and spouses currently receiving retiree benefits, and 109 active participants of whom 24 eligible to retire as of the valuation date. The average age of the active population is 49 and the average age of the retiree population is 74.

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 75.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2017 report from Conduent. 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, 2017 GASB 75 report from Aon Consultants.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Actuarial Assumptions

1. Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years
2. Turnover	NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility
3. Assumed Retirement Age	At first eligibility after completing 25 years of pension service
4. Full Attribution Period	Service to Assumed Retirement Age
5. Annual Discount Rate	4.10% Based on the Bond Buyer 20 Index December 31, 2018
6. CPI Increase	2.50%
7. Rate of Salary Increase	2.50%
8. Medical Trend	Medical: 5.80% in 2018, reducing by 0.1% per annum, leveling at 5.00% per annum in 2026 Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5.0% per annum in 2026 Dental: 3.5% per annum
9. Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Changes in Net OPEB Liability FYE 2018

The Net OPEB Liability as of December 31, 2018 is \$43,822,854 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018. There are no plan assets to offset the liability.

Total GASB #75 Expense for FYE 2018

A) GASB #75 Regular Expense

Service Cost	\$ 843,991
Interest Cost	<u>1,739,947</u>
GASB #75 Annual OPEB Expense Recognized	<u><u>\$2,583,938</u></u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

B) Prior Period Adjustment at 1/1/2018 (to update to GASB #75)

On December 31, 2018, there is a one-time adjustment of \$16,698,945 due to the change in accounting standard from GASB 45 to GASB 75.

Net OPEB Obligation under GASB 45 as of December 31, 2017	\$25,249,603
Net OPEB Liability under GASB 75 as of January 1, 2018	<u>41,948,548</u>
Adjustment	<u>\$16,698,945</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease <u>3.10%</u>	At Current Rate <u>4.10%</u>	1% Increase <u>5.10%</u>
Borough's Total OPEB Liability	\$46,986,478	\$43,822,854	\$41,235,265

Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate

The following presents the Borough's total OPEB liability as well as what the Borough's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>3.10%</u>	At Current Rate <u>4.10%</u>	1% Increase <u>5.10%</u>
Borough's Total OPEB Liability	\$41,262,860	\$43,822,854	\$46,894,402

Special Funding Situation PFRS With State Health Local Government Retired Employees Plan

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$5,745,919 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$76,164.

NOTE 17. SUBSEQUENT EVENT

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Edgewater. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

The Borough has evaluated subsequent events through July 2, 2020, 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

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax rate	1.896	1.820	1.800
Apportionment of tax rate:			
Local school	0.754	0.722	0.717
County	0.337	0.311	0.309
Municipal	0.758	0.745	0.734
Library	0.047	0.042	0.040

Assessed valuation:

2019	\$ 2,967,912,317
2018	2,949,427,259
2017	2,898,027,689

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>
2019	\$ 56,348,278	54,553,370	96.81%
2018	54,167,902	52,152,459	96.28%
2017	52,674,076	50,819,121	96.48%

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>
2019	\$ 84,212	1,722,694	1,806,906	3.21%
2018	358,683	1,728,534	2,087,217	3.85%
2017	62,830	1,759,791	1,822,621	3.46%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2019 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, 2019, 2018 and 2017 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2019	\$	3,844,775
2018		3,844,775
2017		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, 2019	7,027,479	3,300,000
	Dec. 31, 2018	7,037,918	3,300,000
	Dec. 31, 2017	5,500,111	2,285,000
	Dec. 31, 2016	5,169,518	2,750,000
	Dec. 31, 2015	4,615,062	2,000,000
Marina Utility:	Dec. 31, 2019	830,301	25,000
	Dec. 31, 2018	688,797	-
	Dec. 31, 2017	602,949	-
	Dec. 31, 2016	500,862	-
	Dec. 31, 2015	334,292	51,500

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	Council President		
Anthony Bartolomeo	Councilman		
Michael Henwood	Councilman		
Duane Fischetti	Councilwoman		
Dolores Lawlor	Councilwoman		
Gregory Franz	Administrator/Acting CFO		
CME Engineering	Engineer		
John Candelmo	Construction Code Official/Zoning Officer		
Robert Cohan	Magistrate	\$ 1,000,000	(A)
Carmen Sanchez	Court Administrator (1/1/19-11/8/19)	\$ 1,000,000	(A)
Donald Martin	Chief of Police		
Joseph R. Mariniello	Borough Attorney		
Kathleen D'Errico	Secretary Planning Board		
Jennifer Henry	Secretary Board of Adjustment		
Joseph Iannoconi Jr.	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

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	Grant Period From	Grant Period To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Federal and State Grant Fund: Department of Housing and Urban Development (passed through County of Bergen): Community Development Block Grant: Handicapped Accessible Doors at Borough Hall	14.218	B-17-UC-34-0100		N/A	N/A	17,000			8,559 8,559
Hurricane Sandy CDBG-DR	14.269	B-13-DS-34-0001	22-8022-100-004	1/1/2017	12/31/2017	51,106			94,925
Hurricane Sandy CDBG-DR	14.269	B-13-DS-34-0001	22-8022-100-004	1/1/2016	12/31/2016	100,000			94,925
U.S. Department of Transportation (Passed Through NJ DOT) Impaired Driving Countermeasure	20.601	18X9204100NJ		1/1/2019	12/31/2019	4,400	4,400		
National Priority Safety Program (Distracted Driving)	20.616	18X920405ENJ17		1/1/2019	12/31/2019	5,500	5,500		
National Priority Safety Program (DDEF)	20.616	69A375193000405DNJL	066-1160-100-157	1/1/2017	12/31/2017	5,500	5,500		
U.S. Department of Homeland Security Port Security Grant Program	97.056	EMW2016PU00088		1/1/2016	12/31/2016	61,002			50,196
Port Security Grant Program	97.056	EMW2015PU00447		1/1/2015	12/31/2015	104,813			97,764 147,960
U.S. Department of Justice Equitable Sharing - Asset Forfeiture Program	16.922			1/1/2013	12/31/2013	5,160			3,221 3,221
Subtotal Federal and State Grant Fund							9,900		254,665
General Capital Fund: Department of Housing and Urban Development (passed through County of Bergen): Community Development Block Grant: Handicapped Accessible Curb Ramps - Ord. 1517	14.218	B-17-UC-34-0100	21-213-745-155-43-66	N/A	N/A	76,180			67,177 67,177
U.S. Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) 4021 Public Assistance - Hurricane Irene PA-02-NJ-4021-PW-01332 - Ord. 1484	97.036	4021DRNJF0000001		N/A	N/A	217,808			217,808 217,808
Subtotal General Capital Fund									284,985

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	Grant Period From	Grant Period To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Marina Utility Capital Fund: U.S. Department of Homeland Security (I) Disaster Grants - Public Assistance (Presidentially Declared Disasters) PA-02-NJ-1897-PW-01289 - Ord. 1467	97.036	4021DRNJF0000001		N/A	N/A	742,996			521,622
Subtotal Marina Utility Capital Fund									
Total Federal Awards - All Funds									
							\$ 9,900		1,061,272

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, 2019

State Funding Department	State Grant Account #	From	To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Federal and State Grant Fund:							
Department of Treasury (passed through County of Bergen)							
Municipal Alliance on Alcoholism and Drug Abuse	100-082-2000-044-995120	7/1/2018	6/30/2019	9,876	378	3,277	
	100-082-2000-044-995120	7/1/2016	6/30/2017	3,331			
	100-082-2000-044-995120	7/1/2015	6/30/2016	9,876			
	100-082-2000-044-995120	7/1/2014	6/30/2015	9,876			1,278
	100-082-2000-044-995120	1/1/2013	12/31/2013	9,692			14,506
	100-082-2000-044-995120	1/1/2012	12/31/2012	20,868	378	3,277	15,784
Department of Environmental Protection							
New Jersey Forestry Services	FY13-100-042-4870-074	9/5/2013	9/5/2017	10,000			
Subtotal Federal and State Grant Fund							
					61,794	12,561	17,389
General Capital Fund:							
Department of Transportation - State Aid Highway Projects							
Highway Planning and Construction							
Old River Road Improvements, Phase III - 1544				149,000	57,744	32,746	149,000
Undercliff Avenue, Section III - Ord. 1550				155,500	24,110	25,638	145,730
Undercliff Avenue, Section IV - Ord. 1550				165,627		165,627	165,627
					81,854	224,011	460,357
					81,854	224,011	460,357
Subtotal General Capital Fund							
					143,648	236,572	477,746
Total State Financial Assistance - All Funds							
Other Financial Assistance:							
County of Bergen (passed through Bergen County Open Space/Historic Preservation Trust)							
Veteran's Field	16-00213	N/A	N/A	52,474			52,474
							52,474
Target, Inc.							
Target - National Night Out							
				11,000	11,000	11,000	11,000
					11,000	11,000	11,000
Firehouse Subs Public Safety Foundation, Inc.							
Firehouse Improvements (Radio Equipment)							
				22,280			
Total Other Financial Assistance							
Total State and Other Financial Assistance							
					\$ 154,648	247,572	541,220

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

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2019

State Funding Department	State Grant Account #	Grant Period		Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
		From	To				
Federal and State Grant Fund: Department of Environmental Protection Clean Communities Program	4900-765-042-4900-004-V42Y	1/1/2019	12/31/2019	22,740 \$	22,740	9,284	
	4900-765-042-4900-004-V42Y	1/1/2018	12/31/2018	20,381			
	4900-765-042-4900-004-V42Y	1/1/2017	12/31/2017	21,286	22,740	9,284	
	4900-752-042-4900-001-V42Y	1/1/2019	12/31/2019	19,882	19,882		
	4900-752-042-4900-001-V42Y	1/1/2018	12/31/2018	17,508	17,508		
	4900-752-042-4900-001-V42Y	1/1/2017	12/31/2017	33,051			
	4900-752-042-4900-001-V42Y	1/1/2014	12/31/2014	13,105			
	4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011	14,345			250
	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	37,390		250	
Administrative Office of the Courts Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100	1/1/2019	12/31/2018	1,286	1,286		
	9735-760-098-Y900-001-X100	1/1/2018	12/31/2018	2,272			
	9735-760-098-Y900-001-X100	1/1/2017	12/31/2017	1,673			451
	9735-760-098-Y900-001-X100	1/1/2016	12/31/2016	1,148			
	9735-760-098-Y900-001-X100	1/1/2015	12/31/2015	2,180			904
	9735-760-098-Y900-001-X100	1/1/2014	12/31/2014	1,950	1,286		1,355
Division of Criminal Justice Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2016	12/31/2016	2,906			
	1020-718-066-1020-001-YCJS	1/1/2015	12/31/2015	3,026			
	1020-718-066-1020-001-YCJS	1/1/2013	12/31/2013	3,697			
	1020-718-066-1020-001-YCJS	1/1/2009	12/31/2009	3,108			

BOROUGH OF EDGEWATER

Schedule of Cash - Collector/Treasurer

Current Fund

Year ended December 31, 2019

		Current <u>Fund</u>
Balance - December 31, 2018		\$ 10,321,871
Increased by Receipts:		
Revenue Accounts Receivable	\$ 4,915,790	
Miscellaneous Revenues Not Anticipated	561,173	
Taxes Receivable	55,987,682	
Liens Redeemed	291,435	
Prepaid Taxes	421,544	
Tax Overpayments	9,425	
Senior Citizens and Veterans	15,300	
Tax Title Lien Premiums	179,800	
Interfunds	175,483	
Marriage License Fees Payable	<u>1,600</u>	
		<u>62,559,232</u>
		72,881,103
Decreased by Disbursements:		
2019 Budget Appropriations	28,142,643	
2018 Appropriation Reserves	621,279	
Tax Overpayment Refunds	227,986	
Local District School Tax	22,339,675	
County Taxes	10,087,457	
County Added/Omitted	18,280	
Marriage License Fees Payable	1,575	
Tax Title Lien Premiums Redeemed	305,300	
Interfunds	42,781	
Various Reserves	176,518	
Due to Board of Education	75,000	
Refund Prior Year Revenue	<u>4,581</u>	
		<u>62,043,075</u>
Balance - December 31, 2019		\$ <u>10,838,028</u>

BOROUGH OF EDGEWATER

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31, 2018	2019 Levy	Added 2018 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2019
				2018	2019				
2018	<u>1,728,534</u>				<u>1,728,534</u>				
2019		<u>56,271,618</u>	<u>76,660</u>	<u>279,222</u>	<u>54,259,148</u>	<u>15,000</u>	<u>16,964</u>	<u>55,250</u>	<u>1,722,694</u>
	\$ <u>1,728,534</u>	<u>56,271,618</u>	<u>76,660</u>	<u>279,222</u>	<u>55,987,682</u>	<u>15,000</u>	<u>16,964</u>	<u>55,250</u>	<u>1,722,694</u>

Analysis of 2019 Tax Levy

Tax Yield:	
General Property Tax	56,271,618
Added Tax (R.S.54:4-63.1 et seq.)	<u>76,660</u>
	\$ <u>56,348,278</u>

Tax Levy:	
Local District School Tax	\$ 22,336,883
County Tax	\$ 10,087,457
County Added and Omitted Taxes	<u>13,617</u>
	<u>10,101,074</u>
	32,437,957

Local Tax for Municipal Purpose	23,819,768
Additional Taxes	<u>90,553</u>
	<u>23,910,321</u>
	\$ <u>56,348,278</u>

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ 358,683
Increased by:	
Transferred from 2019 Taxes	<u>16,964</u>
	375,647
Decreased by:	
Liens Redeemed	<u>291,435</u>
Balance - December 31, 2019	<u><u>\$ 84,212</u></u>

BOROUGH OF EDGEWATER

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Accrued in 2019	<u>Collected</u>	Balance, Dec. 31, <u>2019</u>
Clerk:				
Licenses:				
Alcoholic Beverages	\$	39,888	39,888	
Other		58,220	58,220	
Fees and Permits		691,326	691,326	
Construction Code Official-Fees and Permits	107,706	570,221	592,412	85,515
Municipal Court Fines and Costs	13,577	211,508	212,587	12,498
Interest and Cost on Taxes		485,729	485,729	
Interest on Investments		47,895	47,895	
Consolidated Municipal Property Tax Relief		84,033	84,033	
Energy Receipts Tax		666,698	666,698	
Uniform Fire Safety		43,126	43,126	
Commercial Sewer Fees	107,267	587,850	587,850	107,267
General Capital Fund Balance		500,000	500,000	
Hotel Tax		505,850	505,850	
Pilot Payments - Waterford Towers		445,828	445,828	
	<u>\$ 228,550</u>	<u>4,938,172</u>	<u>4,961,442</u>	<u>205,280</u>
		Interfunds	45,652	
		Cash	<u>4,915,790</u>	
			<u>\$ 4,961,442</u>	

Exhibit A-8

BOROUGH OF EDGEWATER
Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$	34,998
Increased by:		
Senior Citizens' and Veterans' Deductions per Tax Billings		<u>15,000</u>
		49,998
Decreased by:		
Cash Received		<u>15,300</u>
Balance - December 31, 2019	\$	<u><u>34,698</u></u>

Exhibit A-9

Schedule of Local District School Tax Payable / (Receivable)

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$	(192)
Increased by:		
2019 Tax Levy		<u>22,336,883</u>
		22,336,691
Decreased by:		
Cash Disbursements		<u>22,339,675</u>
Balance - December 31, 2019	\$	<u><u>(2,984)</u></u>

Exhibit A-10

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2019

Increased by:		
County Tax Levy	\$	<u>10,087,457</u>
Decreased by:		
Cash Disbursements	\$	<u><u>10,087,457</u></u>

Exhibit A-11

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	18,280
Increased by:		
Added and Omitted Taxes		<u>13,617</u>
		31,897
Decreased by:		
Cash Disbursements		<u>18,280</u>
Balance - December 31, 2019	\$	<u><u>13,617</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 191	191		191
Mayor and Council	31	31		31
Elections	3,419	3,419		3,419
Collection of Taxes	225	225		225
Assessment of Taxes	65	65		65
Municipal Court	36,535	36,535		36,535
Planning Board	423	423		423
Zoning Board	423	423		423
Rent Leveling	422	422		422
Fire	25,622	25,622		25,622
Volunteer First Aid	1	1		1
Police	18,050	18,050		18,050
Emergency Management Services	1,000	1,000		1,000
Road Repairs and Maintenance	9,457	9,457		9,457
Board of Health	30	30		30
Public Assistance	540	540		540
Recreation	43	43		43
Recycling Program	47	47		47
Uniform Construction Code	50	50		50
Total Salaries and Wages Within "CAPS"	<u>96,574</u>	<u>96,574</u>		<u>96,574</u>
Other Expenses Within "CAPS":				
Administrative and Executive	527	22,340	19,347	2,993
Elections	730	730		730
Financial Administration	13,178	14,428	1,250	13,178
Financial Administration - Audit	665	665		665
Collection of Taxes	176	751	502	249
Assessment of Taxes:				
Consultant and Legal Fees - Tax Appeals	3,177	3,284	168	3,116
Miscellaneous Other Expenses	72	2,672	2,590	82
Municipal Court	60	2,774	2,378	396
Legal Services	218,954	288,374	237,163	51,211
Insurance - Hospitalization	242,840	62,740		62,740
Insurance - Other	501	1,901	1,853	48
Public Buildings and Grounds	404	14,161	13,765	396
Engineering	83	12,225	9,831	2,394
Planning Board	13,888	14,188	5,165	9,023

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Zoning Board	9,649	9,649	1,653	7,996
Rent Leveling	7,942	7,942		7,942
Housing Inspector	575	575		575
Police	11,942	22,776	10,235	12,541
Police- Automobiles	9	26,726	25,711	1,015
Emergency Management	2,089	2,089	8	2,081
Fire	694	37,423	32,047	5,376
Fire Hydrant Service	3,100	3,100	1,639	1,461
Volunteer First Aid	3,850	4,074	2,274	1,800
Fire Prevention	10,514	10,875	472	10,403
Road Repairs and Maintenance	117	17,048	14,187	2,861
Snow Removal	25,141	25,141	11,335	13,806
Board of Health	2,712	6,213	2,874	3,339
Dog regulation	4,158	4,158		4,158
Occupational Safety Health Act	921	921		921
Public Assistance	2,100	2,100		2,100
Public Assistance- Emergency Assistance	1,173	1,173		1,173
Parks and Playgrounds	21,286	21,374	1,851	19,523
Recreation	36,500	49,884	10,022	39,862
Celebration of Public Events	3	3		3
Senior Citizens Committee	2,370	3,234	757	2,477
Garbage and Trash Removal	15,656	86,656	86,038	618
Uniform Construction Code	6,702	20,702	20,635	67
Gas and Electric	104,760	104,760	43,186	61,574
Street Lighting	269	30,269	29,522	747
Telephone	39,371	39,986	9,644	30,342
Water	23,197	23,197	8,301	14,896
Fuel	7,345	14,945	14,876	69
Pilots - Bergen County	8,525	8,525		8,525
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>852,925</u>	<u>1,031,751</u>	<u>621,279</u>	<u>410,472</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	15,250	15,250		15,250
Consolidated Police & Firemen's Fund	20,228	20,228		20,228
Unemployment Insurance	2,867	2,867		2,867
Public Employee's Retirement System	10,652	10,652		10,652

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>48,997</u>	<u>48,997</u>		<u>48,997</u>
Total Reserves Within "CAPS"	<u>998,496</u>	<u>1,177,322</u>	<u>621,279</u>	<u>556,043</u>
Other Expenses Excluded From "CAPS":				
LOSAP	1,150	1,150		1,150
Bergen County Utilities Authority - Share of Costs	875	875		875
Maintenance of Free Public Library	<u>211,562</u>	<u>211,562</u>	<u>211,562</u>	
Total Other Expenses Excluded from "CAPS"	<u>213,587</u>	<u>213,587</u>	<u>211,562</u>	<u>2,025</u>
Total Reserves Excluded from "CAPS"	<u>213,587</u>	<u>213,587</u>	<u>211,562</u>	<u>2,025</u>
Total Reserves	<u>\$ 1,212,083</u>	<u>1,390,909</u>	<u>832,841</u>	<u>558,068</u>
Appropriation reserves		1,212,083		
Encumbrances		<u>178,826</u>		
		<u>\$ 1,390,909</u>		
		Cash Disbursements	621,279	
		Transferred to Amount due to Library	<u>211,562</u>	
			<u>\$ 832,841</u>	

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	178,826
Increased by:		
Encumbrances		379,832
		558,658
Decreased by:		
Transferred to Appropriation Reserves		178,826
Balance - December 31, 2019	\$	379,832

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	109,237
Increased by:		
Budget Appropriations	\$	200,000
Overpayments Received		9,425
		209,425
		318,662
Decreased by:		
Transfer to Reserve for Tax Appeals	\$	88,240
Overpayments Refunded		227,986 ✓
		316,226
Balance - December 31, 2019	\$	2,436

Exhibit A-15

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$	279,222
Increased by:		
Prepaid Taxes Collected		<u>421,544</u>
		700,766
Decreased by:		
Taxes Realized as Revenue		<u>279,222</u>
Balance - December 31, 2019	\$	<u><u>421,544</u></u>

Exhibit A-16

**Schedule of Due to the State - Marriage
License Fees**

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$	250
Increased by:		
Cash Receipts		<u>1,600</u>
		1,850
Decreased by:		
Cash Disbursements		<u>1,575</u>
Balance - December 31, 2019	\$	<u><u>275</u></u>
4th Quarter 2019	\$	<u><u>275</u></u>

Exhibit A-17

BOROUGH OF EDGEWATER
Schedule of Property Acquired for Taxes-
Assessed Valuation

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>3,844,775</u>
Balance - December 31, 2019	\$ <u><u>3,844,775</u></u>

Exhibit A-18

Schedule of Reserve for
Tax Title Lien Premium

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ 583,600
Increased by:	
Premiums Collected	<u>179,800</u>
	763,400
Decreased by:	
Refunded	<u>305,300</u>
Balance - December 31, 2019	\$ <u><u>458,100</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2019

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Escrow Trust Fund	\$ 33	5		38
Other Trust Fund	13,294	24,577	18,513	19,358
Other Trust Fund - POAA	(52)			(52)
Other Trust Fund - Municipal Alliance	(16)			(16)
Other Trust Fund - Bullet Proof Vests	(33)			(33)
Other Trust Fund - Flexible Spending	(640)			(640)
Other Trust Fund - Bergen County CDA		3,750		3,750
Public Assistance Trust Fund	(16,300)	16,300		
Federal and State Grant Fund	(273,341)	26,481	85,163	(332,023)
General Capital Fund	(67,268)	38,342	82,687	(111,613)
	<u>\$ (344,323)</u>	<u>109,455</u>	<u>186,363</u>	<u>(421,231)</u>
 <u>Analysis</u>				
Due to Current Fund	\$ 13,327	28,332	18,513	23,146
Due From Current Fund	(357,650)	81,123	167,850	(444,377)
	<u>\$ (344,323)</u>	<u>109,455</u>	<u>186,363</u>	<u>(421,231)</u>
Interest on Investments \$		32,859		
Funds Deposited in Error		33,815		
Reimbursement for Expenses Paid			8,411	
Grant Match			2,469	
Cash Receipts			175,483	
Cash Disbursements		42,781		
		<u>\$ 109,455</u>	<u>186,363</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2019

	Balance Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2019</u>
Reserve for:				
Binghampton Ferryboat Removal	\$ 100,000			100,000
Playgrounds	2,481			2,481
Due to Library	609,370	211,562	176,518	644,414
Tax Appeals		88,240		88,240
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>\$ 883,316</u>	<u>299,802</u>	<u>176,518</u>	<u>1,006,600</u>
Transfer from Appropriation Reserves	\$ 211,562			
Transfer from Tax Overpayments	88,240			
Cash Disbursements			<u>176,518</u>	
		<u>\$ 299,802</u>	<u>176,518</u>	

BOROUGH OF EDGEWATER

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>21,937</u>
Balance - December 31, 2019	\$ <u><u>21,937</u></u>

BOROUGH OF EDGEWATER

N.J.S.A. 40A:4-46 Emergency Authorization

Current Fund

Year ended December 31, 2019

<u>Date</u>	<u>Purpose</u>	<u>Net</u>	<u>Balance</u>	<u>Authorized</u>	<u>Reduced</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Amount</u>	<u>Dec. 31,</u>	<u>in 2019</u>	<u>in 2019</u>	<u>Dec. 31,</u>
		<u>Authorized</u>	<u>2018</u>	<u>in 2019</u>	<u>in 2019</u>	<u>2019</u>
8/13/2018	Legal Fees	\$ 400,000	400,000		400,000	
11/12/2019	Legal Fees - Other Expenses	400,000		400,000		400,000
		<u>\$ 800,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

BOROUGH OF EDGEWATER
Schedule of Due to Board of Education
Current Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>75,000</u>
Decreased by:	
Cash Disbursements	\$ <u><u>75,000</u></u>

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2019

<u>Purpose</u>	Balance, Dec. 31, <u>2018</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2019</u>
Municipal Alliance - 2013	\$ 9,692			9,692
Municipal Alliance - 2019		9,876	378	9,498
Alcohol Education and Rehabilitation - 2018		2,272	2,272	
Clean Communities - 2018		20,381	20,381	
Port Security 2016	35,650			35,650
CDBG	17,000			17,000
Target - Night Out		<u>11,000</u>	<u>11,000</u>	
	<u>\$ 62,342</u>	<u>43,529</u>	<u>34,031</u>	<u>71,840</u>
		Budget 32,529		
Appropriations by 40a:4-87		<u>11,000</u>		
		<u>\$ 43,529</u>		
		Interfunds	11,378	
		Unappropriated Grant Reserves	<u>22,653</u>	
			<u>\$ 34,031</u>	

BOROUGH OF EDGEWATER

Schedule of Due from/(to) Current Fund

Federal and State Grant Fund

Year ended December 31, 2019

Balance - December 31, 2018		\$	273,341
Increased by:			
Grants Receivable	\$	11,378	
Match		2,469	
Unappropriated Grants		<u>71,316</u>	
			<u>85,163</u>
			358,504
Decreased by:			
Prior Year Encumbrances Paid	\$	451	
Appropriated Grant Reserves		<u>26,030</u>	
			<u>26,481</u>
Balance - December 31, 2019		\$	<u><u>332,023</u></u>

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
State and Federal Grant Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>451</u>
Decreased by: Interfunds	\$ <u><u>451</u></u>

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2019

Purpose	Balance, Dec. 31, 2018	Transferred from Budget Appropriations	Expended	Balance, Dec. 31, 2019
Clean Communities - 2009	\$ 14,626			14,626
Clean Communities - 2013	2,975			2,975
Clean Communities - 2016	6,927			6,927
Clean Communities - 2017	7,690			7,690
Clean Communities - 2018		20,381	9,284	11,097
Municipal Alliance - 2013	714			714
Municipal Alliance - 2014	8,414			8,414
Municipal Alliance - 2019		9,876	3,277	6,599
Municipal Alliance - 2019 Match		2,469	2,469	
Alcohol Education and Rehabilitation - 2014	1,046			1,046
Alcohol Education and Rehabilitation - 2015	2,180			2,180
Alcohol Education and Rehabilitation - 2016	1,148			1,148
Alcohol Education and Rehabilitation - 2017	1,222			1,222
Alcohol Education and Rehabilitation - 2018		2,272		2,272
Body Armor Grant - 2012	6,052			6,052
Body Armor Grant - 2013	3,697			3,697
Body Armor Grant - 2015	3,026			3,026
Body Armor Grant - 2016	2,906			2,906
Recycling Tonnage Grant - 2008	6,340			6,340
Recycling Tonnage Grant - 2009	7,876			7,876
Recycling Tonnage Grant - 2010	37,800			37,800
Recycling Tonnage Grant - 2011	12,464			12,464
Recycling Tonnage Grant - 2013	14,095			14,095
Recycling Tonnage Grant - 2014	13,105			13,105
Recycling Tonnage Grant - 2016	15,042			15,042
Recycling Tonnage Grant - 2017	18,009			18,009
U.S. Department of Justice - Equitable Sharing - Asset Forfeiture Proceeds	1,939			1,939
Port Security 2015	7,049			7,049
Port Security 2016	10,807			10,807
Post Sandy Planning	5,075			5,075
CDBG	8,441			8,441
Firehouse Grant	22,279			22,279
Impaired Driving Countermeasure Target - National Night Out	5,500			5,500
	<u>248,444</u>	<u>11,000</u>	<u>11,000</u>	<u>268,412</u>
	\$ 248,444	45,998	26,030	268,412
		Budget 32,529		
		Match 2,469		
		Appropriations by 40a:4-87 11,000		
		<u>\$ 45,998</u>		
		Interfunds \$	<u>26,030</u>	

BOROUGH OF EDGEWATER

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2019

<u>Purpose</u>	Balance, Dec. 31, <u>2018</u>	<u>Received</u>	Appropriated in 2019 <u>Budget</u>	Balance, Dec. 31, <u>2019</u>
Municipal Alliance - 2012	\$ 5,647			5,647
Municipal Alliance - 2015	3,331			3,331
Municipal Alliance - 2016	3,500			3,500
Municipal Alliance - 2017	551			551
Alcohol Education and Rehabilitation Fund - 2018	2,272		2,272	
Alcohol Education and Rehabilitation Fund - 2019		1,286		1,286
Clean Communities - 2017	20,381		20,381	
Clean Communities - 2018		22,740		22,740
Recycling Tonnage Grant - 2018		19,882		19,882
Recycling Tonnage Grant - 2019		17,508		17,508
Impaired Driving Countermeasure - 2019		4,400		4,400
Distracted Driving Incentive - 2019		5,500		5,500
Post Sandy Planning Grant	51,106			51,106
	<u>\$ 86,788</u>	<u>71,316</u>	<u>22,653</u>	<u>135,451</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2019

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2018	\$ 41	148,217	788,660	1,056,868
Increased by:				
Animal License Fees	4,278			
Due to State of New Jersey - Dog License Fees	622			
Various Reserves			253,511	
Escrow Deposits		327,727		
Interfunds		5	28,327	
Borough Contributions				69,000
Investment Income				108,791
	4,900	327,732	281,838	177,791
	4,941	475,949	1,070,498	1,234,659
Decreased by:				
Animal License Expenditures	4,219			
Due to State of New Jersey	622			
Escrow Expenditures		307,510		
Interfunds			18,513	
Various Reserves			278,523	
Distributions				86,438
	4,841	307,510	297,036	86,438
Balance -December 31, 2019	\$ 100	168,439	773,462	1,148,221

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2019

Balance - December 31, 2018		\$	36
Increased by:			
Dog license fees	\$	3,308	
Cat license fees		770	
Postage/Late fees		<u>200</u>	
			<u>4,278</u>
			4,314
Decreased by:			
Cash Disbursements			<u>4,219</u>
Balance - December 31, 2019		\$	<u><u>95</u></u>

<u>License Fees Collected</u>		
2017		2,904
2018		<u>4,358</u>
	\$	<u><u>7,469</u></u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2019

Balance - December 31, 2018	\$	5
Increased by:		
2019 Fees Collected		<u>622</u>
		627
Decreased by:		
Payments to State of New Jersey		<u>622</u>
Balance - December 31, 2019	\$	<u><u>5</u></u>

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2019

Balance - December 31, 2018	\$	148,184
Increased by:		
Escrow Deposits		<u>327,727</u>
		475,911
Decreased by:		
Cash Disbursements		<u>307,510</u>
Balance - December 31, 2019	\$	<u><u>168,401</u></u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2019</u>
Other Trust Fund:				
Current Fund				
POAA	\$ 52			52
Other Trust Fund	(13,295)	18,513	24,577	(19,359)
Bullet Proof Vest	33			33
Municipal Alliance	16			16
Flexible Spending	640			640
Bergen County CDA			3,750	(3,750)
General Capital Fund				
Bergen County CDA	(32,214)			(32,214)
Escrow Trust Fund:				
Current Fund	<u>(33)</u>		<u>5</u>	<u>(38)</u>
	<u>\$ (44,801)</u>	<u>18,513</u>	<u>28,332</u>	<u>(54,620)</u>
Due to Trust Funds	741			741
Due from Trust Funds	<u>(45,542)</u>	<u>18,513</u>	<u>28,332</u>	<u>(55,361)</u>
	<u>\$ (44,801)</u>	<u>18,513</u>	<u>28,332</u>	<u>(54,620)</u>
			Receipts \$ 22,613	
			Interest on Investments 5,719	
		<u>18,513</u>		
			Disbursements	
		<u>\$ 18,513</u>	<u>28,332</u>	

BOROUGH OF EDGEWATER

Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2019</u>
Reserve for:				
Cemetery Bequests	\$ 31,925	12	15,000	16,937
Bullet Proof Vests	11,339	4,964	2,699	13,604
Ferry Performance Security	195,447			195,447
Fire Prevention	7,991	191,466	197,198	2,259
Cultural and Historical Society	1,152			1,152
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	69,414	701	772	69,343
Recycling Fees - Other Trust	19,000			19,000
Recycling Fees	25,165	11,607	20,575	16,197
Bergen County CDA Trust	111		9	102
Flexible Spending Trust	10,162	30,726	16,986	23,902
Municipal Alliance Trust	4,109	8,055	3,872	8,292
POAA	13,264	780	1,209	12,835
Shade Tree	1,414	5,200	2,110	4,504
Avalon Trust	18,093		18,093	
Police Confiscated	3,109			3,109
	<u>\$ 743,892</u>	<u>253,511</u>	<u>278,523</u>	<u>718,880</u>
		Cash Receipts 253,511		
		Cash Disbursements	<u>278,523</u>	
		<u>\$ 253,511</u>	<u>278,523</u>	

Exhibit B-7

BOROUGH OF EDGEWATER
Statement of Service Award Contributions Receivable
Emergency Services Length of Service Award Program
Year ended December 31, 2019

Balance - December 31, 2018	\$ 69,000
Increased by:	
2019 Borough Contribution	<u>73,600</u>
	142,600
Decreased by:	
2018 Borough Contribution Received	<u>69,000</u>
Balance - December 31, 2019	<u>\$ 73,600</u>

Exhibit B-8

Statement of Net Assets Available for Benefits
Emergency Services Length of Service Award Program
Year ended December 31, 2019

Balance - December 31, 2018	\$ 1,125,868
Increased by:	
Borough Contributions	\$ 73,600
Investment Income	<u>108,791</u>
	<u>182,391</u>
	1,308,259
Decreased by:	
Distributions	<u>86,438</u>
Balance - December 31, 2019	<u>\$ 1,221,821</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018		\$ 8,142,793
Increased by Receipts:		
Capital Improvement Fund	\$ 200,000	
Bond Anticipation Notes	2,325,000	
Bond Sale Proceeds	27,240,000	
Reserve for Green Acres	2,649	
Interfunds	69,507	
Prior Year Void Checks	500	
Premium on Sale of Bonds	1,404,265	
Premium on Sale of Notes	12,905	
		<u>31,254,826</u>
		39,397,619
Decreased by Disbursements:		
Improvement Authorizations	1,898,092	
Bond Anticipation Notes	28,297,155	
Utilized as Bond Anticipation Note Paydown:		
Premium of Sale of Bonds	1,400,000	
Reserve for Payment of Debt	506,845	
Fund Balance - Budget Revenue Realized	500,000	
Interfunds	1,086,833	
		<u>33,688,925</u>
Balance - December 31, 2019		<u><u>\$ 5,708,694</u></u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2019

Grants Receivable -	
Community Development Block Grant	\$ (72,907)
New Jersey Department of Transportation	(180,392)
Federal Emergency Management Agency	(7,336)
Interfunds Receivable	(1,229,828)
Over-Expenditure of Ordinance Appropriation	(2,827)
Interfunds Payable	31,165
Capital Improvement Fund	674,346
Reserve for Green Acres	14,653
Reserve for Payment of Debt	1,388,909
Unappropriated State Grant	79,408
Reserve for Grants Receivable	72,907
Fund Balance	1,323,324

Improvement Authorizations:

<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
1357	Acquisition of Municipal Complex/Police Station	(252,613)
1460	Imps. to the DPW and Community Center Parking Lots	(47,874)
1474/1514/		
1519/1534	Improvements to Veteran's Field	1,432,151
1517	Improvements to Undercliff Avenue	24,841
1525	Acquisition of Fire Truck	2,801
1538/1561/		
2018-14	Historic Borough Hall Improvements, Phase III	149,993
1544	Imps. To Old River Road - Phase III	7,233
1547	Acquisition of 615 River Road	1,248,870
1550/2018-3	Various Acquisitions and Improvements	762,305
2018-15/		
2019-10	Various Acquisitions and Improvements	229,565
2019-11	Acquisition of Property	10,000
2019-12	Historic Borough Hall Improvements, Phase IV	50,000
		<u>\$ 5,708,694</u>

BOROUGH OF EDGEWATER

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018		\$	19,322,952
Increased by:			
Sale of Bonds			<u>27,240,000</u>
			46,562,952
Decreased by:			
Infrastructure Loan Payments	\$	297,816	
Green Trust Loan Payments		65,715	
Capital Lease Payments		52,000	
Budget Appropriation to Pay Serial Bonds		<u>1,855,000</u>	
			<u>2,270,531</u>
Balance - December 31, 2019		\$	<u><u>44,292,421</u></u>

BOROUGH OF EDGEWATER

**Schedule of Deferred Charges to
Future Taxation - Unfunded**

General Capital Fund

Year ended December 31, 2019

Ordinance Number	Improvement Description	Balance, Dec. 31, 2018	2019 Authorizations	Decreased	Balance, Dec. 31, 2019	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613			252,613		252,613	
1457	Imps. to Beverly Place Retaining Wall	146,800		146,800				
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500		47,874	113,626
1464	Improvements to Municipal Pool	57,550		57,550				
1474/1514	Improvements to Veteran's Field	10,632,301		10,631,791	510			510
1482	Various improvements	361,224		361,224				
1488/1497	Acquisition of a Fire Rescue Boat for Fire Department	109,945		109,945				
1489/1496	Repairs to the Edgewater Marina	231,500		231,500				
1498	Acquisition of a Trailer Mounted Generator	57,350		57,350				
1502	Various Acquisitions and Improvements	843,896		843,896				
1517	Improvements to Undercliff Avenue	113,750		113,750				
1519	Amend 1474/1514: Veteran's Field Improvements	5,700,000		5,700,000				
1525	Acquisition of Fire Truck	491,150		491,150				
1526	Local Share of Various Port Security Acquisitions	33,250		33,250				
1534	Imps. To Veteran's Field - Amend 1474/1514/1519	8,075,000		8,072,274	2,726			2,726
1538/1561/ 2018-14	Historic Borough Hall Improvements - Phase III	1,672,000		1,424,919	247,081	247,000		81
1544	Improvements to Old River Road, Phase III	185,000		185,000				
1547	Acquisition of Property - 615 River Road	23,750,000			23,750,000			23,750,000
1550/2018-3 2018-15/ 2019-10	Various Acquisitions and Improvements	1,952,773		686,446	1,266,327	1,257,900		8,427
2019-10	Various Acquisitions and Improvements	821,750	133,000		954,750	820,100		134,650
2019-11	Acquisition of Property		190,000		190,000			190,000
2019-12	Historic Borough Hall Improvements - Phase IV		950,000		950,000			950,000
		\$ 55,649,352	1,273,000	29,146,845	27,775,507	2,325,000	300,487	25,150,020
			1,273,000					

2019 Improvement Authorizations \$ 1,273,000

BOROUGH OF EDGEWATER

**Schedule of Deferred Charges to
Future Taxation - Unfunded**

General Capital Fund

Year ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, Dec. 31, 2018	2019 Authorizations	Decreased	Balance, Dec. 31, 2019	<u>Analysis of Balance</u>	
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
					Improvement Authorizations - Unfunded \$		26,291,883
	Reserve for Payment of Notes		506,845				
	Bonds Issued	28,640,000					
		\$	<u>29,146,845</u>				
					Less: Unexpended Proceeds of Bond Anticipation Notes		
					Ord. 1550/2018-3	762,305	
					Ord. 1538/2018-14	149,993	
					Ord. 2018-15/2019-10	<u>229,565</u>	
							<u>1,141,863</u>
							<u>\$ 25,150,020</u>

Exhibit C-6

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	262,246
Decreased by:		
Interfunds		<u>81,854</u>
Balance - December 31, 2019	\$	<u><u>180,392</u></u>
<u>Analysis of Balance</u>		
Ord. 1550 - Undercliff Avenue - Section 3		14,765
Ord. 1550 - Undercliff Avenue - Section 4		<u>165,627</u>
	\$	<u><u>180,392</u></u>

Exhibit C-7

Schedule of Amount Due from the
Federal Emergency Management Agency - Ord. 1484
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	<u>7,336</u>
Balance - December 31, 2019	\$	<u><u>7,336</u></u>

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018 \$ 72,907

Balance - December 31, 2019 \$ 72,907

Analysis of Balance

Ord. 1517 - Undercliff Avenue Imps. -
(Pal. Terrace to Archer/Myrtle) 72,907

\$ 72,907

BOROUGH OF EDGEWATER

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2019

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Current Fund	\$ 67,269	82,687	38,342	111,614
Marina Utility Capital Fund		1,086,000		1,086,000
Marina Utility Operating Fund			31,165	(31,165)
Other Trust Fund	32,214			32,214
	<u>\$ 99,483</u>	<u>1,168,687</u>	<u>69,507</u>	<u>1,198,663</u>
Due to General Capital Fund	99,483	1,168,687	38,342	1,229,828
Due from General Capital Fund			31,165	(31,165)
	<u>\$ 99,483</u>	<u>1,168,687</u>	<u>69,507</u>	<u>1,198,663</u>
			Cash Receipts \$ 69,507	
		Cash Disbursements 1,086,833		
		Grants Receivable 81,854		
		<u>\$ 1,168,687</u>	<u>69,507</u>	

BOROUGH OF EDGEWATER

Schedule of Overexpenditure of Ordinance Appropriation

General Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>2,827</u>
Balance - December 31, 2019	\$ <u><u>2,827</u></u>

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019	
			Date	Amount				
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	890,000	Aug. 1, 2020	66,414	5.35%	128,118	61,704	
								66,414
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	881,496	Feb. 1, 2020	1,115		88,430	43,733	
			Aug. 1, 2020	43,582				44,697
Wastewater Improvements	Nov. 8, 2001	125,000	Aug. 1, 2020	9,524	4.75%	23,809	9,522	
			Aug. 1, 2021	4,763	4.75%			14,287
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	615,000	Aug. 1, 2020	30,000	4.00%	316,000	30,000	
			Aug. 1, 2021	31,000	5.00%			
			Aug. 1, 2022	35,000	5.00%			
			Aug. 1, 2023	35,000	4.25%			
			Aug. 1, 2024	35,000	4.50%			
			Aug. 1, 2025	40,000	4.50%			
Aug. 1, 2026	40,000	4.50%						
Aug. 1, 2027	40,000	4.25%						

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019
			Date	Amount			
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	1,736,481	Feb. 1, 2020	13,339		694,117	600,984
			Aug. 1, 2020	77,239			
			Feb. 1, 2021	12,061			
			Aug. 1, 2021	75,961			
			Feb. 1, 2022	10,463			
			Aug. 1, 2022	83,491			
			Feb. 1, 2023	8,638			
			Aug. 1, 2023	81,666			
			Feb. 1, 2024	7,086			
			Aug. 1, 2024	80,114			
			Feb. 1, 2025	5,443			
			Aug. 1, 2025	87,599			
			Feb. 1, 2026	3,594			
		Aug. 1, 2026	54,290				
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	170,000	Aug. 1, 2020	10,000	5.00%	110,000	100,000
			Aug. 1, 2021	9,000	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	9,000	4.00%		
			Aug. 1, 2026	9,000	3.50%		
			Aug. 1, 2027	10,000	4.00%		
			Aug. 1, 2028	9,000	4.00%		
			Aug. 1, 2029	14,000	4.00%		

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019
			Date	Amount			
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	521,250	Feb. 1, 2020	8,835		291,547	265,043
			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			
			Feb. 1, 2027	8,835			
			Aug. 1, 2027	17,670			
		Feb. 1, 2028	8,835				
		Aug. 1, 2028	17,670				
		Feb. 1, 2029	8,835				
		Aug. 1, 2029	17,670				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019
			Date	Amount			
Sanitary Sewer Repairs (Ord. 1420)	Dec. 2, 2010	245,000	Aug. 1, 2020	5,000	5.00%	95,000	85,000
			Aug. 1, 2021	5,000	5.00%		
			Aug. 1, 2022	8,000	5.00%		
			Aug. 1, 2023	8,000	5.00%		
			Aug. 1, 2024	8,000	5.00%		
			Aug. 1, 2025	8,000	5.00%		
			Aug. 1, 2026	8,000	5.00%		
			Aug. 1, 2027	8,000	5.00%		
			Aug. 1, 2028	7,000	5.00%		
			Aug. 1, 2029	10,000	5.00%		
			Aug. 1, 2030	10,000	5.00%		
Sanitary Sewer Repairs (Ord. 1420)	Dec. 1, 2010	260,000	Feb. 1, 2020	618		13,838	618
						<u>\$ 1,760,859</u>	<u>1,463,043</u>
						<u>297,816</u>	<u>10,000</u>

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019
			Date	Amount			
2008 Veterans Field Improvements	Sept 14, 2008	400,000	Mar. 14, 2020	10,606	2.00%	\$ 203,939	183,041
			Sept. 14, 2020	10,712	2.00%		
			Mar. 14, 2021	10,819	2.00%		
			Sept. 14, 2021	10,928	2.00%		
			Mar. 14, 2022	11,037	2.00%		
			Sept. 14, 2022	11,147	2.00%		
			Mar. 14, 2023	11,259	2.00%		
			Sept. 14, 2023	11,371	2.00%		
			Mar. 14, 2024	11,485	2.00%		
			Sept. 14, 2024	11,600	2.00%		
			Mar. 14, 2025	11,716	2.00%		
			Sept. 14, 2025	11,833	2.00%		
			Mar. 14, 2026	11,951	2.00%		
			Sept. 14, 2026	12,071	2.00%		
Mar. 14, 2027	12,192	2.00%					
Sept. 14, 2027	12,314	2.00%					
					Decreased		

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
2018 Veterans Field Improvements (A)	July 9, 2018	315,500	Apr. 9, 2020	6,788	2.00%	315,500	13,375	302,125
			Oct. 9, 2020	6,856	2.00%			
			Apr. 9, 2021	6,925	2.00%			
			Oct. 9, 2021	6,994	2.00%			
			Apr. 9, 2022	7,064	2.00%			
			Oct. 9, 2022	7,134	2.00%			
			Apr. 9, 2023	7,206	2.00%			
			Oct. 9, 2023	7,278	2.00%			
			Apr. 9, 2024	7,351	2.00%			
			Oct. 9, 2024	7,424	2.00%			
			Apr. 9, 2025	7,498	2.00%			
			Oct. 9, 2025	7,573	2.00%			
			Apr. 9, 2026	7,649	2.00%			
			Oct. 9, 2026	7,726	2.00%			
			Apr. 9, 2027	7,803	2.00%			
			Oct. 9, 2027	7,881	2.00%			
		Apr. 9, 2028	7,960	2.00%				
		Oct. 9, 2028	8,039	2.00%				
		Apr. 9, 2029	8,120	2.00%				
		Oct. 9, 2029	8,201	2.00%				
		Apr. 9, 2030	8,283	2.00%				
		Oct. 9, 2030	8,366	2.00%				
		Apr. 9, 2031	8,449	2.00%				
		Oct. 9, 2031	8,534	2.00%				
		Apr. 9, 2032	8,619	2.00%				
		Oct. 9, 2032	8,705	2.00%				
		Apr. 9, 2033	8,792	2.00%				
		Oct. 9, 2033	8,880	2.00%				
		Apr. 9, 2034	8,969	2.00%				
		Oct. 9, 2034	9,059	2.00%				
2018 Veterans Field Improvements (A)								

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2018	Balance, Dec. 31, 2019
			Date	Amount			
2018 Veterans Field Improvements (A) Continued	Apr. 9, 2035		Apr. 9, 2035	9,149	2.00%		
	Oct. 9, 2035		Oct. 9, 2035	9,241	2.00%		
	Apr. 9, 2036		Apr. 9, 2036	9,333	2.00%		
	Oct. 9, 2036		Oct. 9, 2036	9,427	2.00%		
	Apr. 9, 2037		Apr. 9, 2037	9,521	2.00%		
	Oct. 9, 2037		Oct. 9, 2037	9,616	2.00%		
	Apr. 9, 2038		Apr. 9, 2038	9,712	2.00%		
2018 Veterans Field Improvements (B)	July 9, 2018	741,655	Apr. 9, 2020	15,957	2.00%	741,655	31,442
			Oct. 9, 2020	16,117	2.00%		
			Apr. 9, 2021	16,278	2.00%		
			Oct. 9, 2021	16,441	2.00%		
			Apr. 9, 2022	16,605	2.00%		
			Oct. 9, 2022	16,771	2.00%		
			Apr. 9, 2023	16,939	2.00%		
			Oct. 9, 2023	17,108	2.00%		
			Apr. 9, 2024	17,279	2.00%		
			Oct. 9, 2024	17,452	2.00%		
			Apr. 9, 2025	17,627	2.00%		
			Oct. 9, 2025	17,803	2.00%		
			Apr. 9, 2026	17,981	2.00%		
		Oct. 9, 2026	18,161	2.00%			
		Apr. 9, 2027	18,342	2.00%			
		Oct. 9, 2027	18,526	2.00%			
		Apr. 9, 2028	18,711	2.00%			
		Oct. 9, 2028	18,898	2.00%			
		Apr. 9, 2029	19,087	2.00%			
		Oct. 9, 2029	19,278	2.00%			
		Apr. 9, 2030	19,471	2.00%			

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2019
			Date	Amount					
General Obligation Bonds	Jun. 30, 2009	4,884,000			\$	175,000		175,000	
General Obligation Refunding Bonds	Jan. 25, 2012	7,395,000	Jun. 1, 2020	430,000	4.000%	2,795,000		930,000	1,865,000
			Jun. 1, 2020	500,000	3.000%				
			Jun. 1, 2021	935,000	4.000%				
General Obligation Bonds	Jul. 15, 2015	11,085,000	Jul. 15, 2020	750,000	2.000%	9,905,000		750,000	9,155,000
			Jul. 15, 2021	770,000	2.000%				
			Jul. 15, 2022	750,000	2.000%				
			Jul. 15, 2023	750,000	3.000%				
			Jul. 15, 2024	750,000	3.000%				
			Jul. 15, 2025	765,000	3.000%				
			Jul. 15, 2026	770,000	3.000%				
			Jul. 15, 2027	770,000	3.000%				
			Jul. 15, 2028	770,000	3.000%				
			Jul. 15, 2029	770,000	3.000%				
General Obligation Refunding Bonds	Oct. 31, 2016	3,285,000	Aug. 15, 2020	220,000	3.000%	3,255,000			3,255,000
			Aug. 15, 2021	230,000	3.000%				
			Aug. 15, 2022	930,000	4.000%				
			Aug. 15, 2023	920,000	4.000%				
			Aug. 15, 2024	955,000	4.000%				

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2019
			Date	Amount					
General Obligation Bonds	July 9, 2019	27,240,000	Feb. 15, 2020	1,135,000	4.000%		27,240,000		27,240,000
			Feb. 15, 2021	1,135,000	4.000%				
			Feb. 15, 2022	1,485,000	4.000%				
			Feb. 15, 2023	1,575,000	4.000%				
			Feb. 15, 2024	1,665,000	4.000%				
			Feb. 15, 2025	1,705,000	4.000%				
			Feb. 15, 2026	1,775,000	4.000%				
			Feb. 15, 2027	1,850,000	4.000%				
			Feb. 15, 2028	1,980,000	4.000%				
			Feb. 15, 2029	2,005,000	4.000%				
			Feb. 15, 2030	2,075,000	3.000%				
			Feb. 15, 2031	2,140,000	3.000%				
			Feb. 15, 2032	2,205,000	3.000%				
			Feb. 15, 2033	2,240,000	2.000%				
		Feb. 15, 2034	2,270,000	1.000%					
						\$ 16,130,000	27,240,000	1,855,000	41,515,000

BOROUGH OF EDGEWATER

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Lease Payments		Interest Rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
			Date	Amount				
2012 Refunding of 2003 Issuance	May 1, 2012	385,000	Mar. 15, 2020	57,000	2.659%	171,000	52,000	119,000
			Mar. 15, 2021	62,000				
						\$ 171,000	52,000	119,000

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2018	Increased by:	Decreased by:	Balance, Dec. 31, 2019
1474	Improvements to Veteran's Field	July 27, 2012				6,981,511		6,981,511	
1474	Improvements to Veteran's Field	July 25, 2014				1,038,935		1,038,935	
1482	Various Improvements	July 26, 2013				361,224		361,224	
1457	Imps. to Beverly Place Retaining Wall	July 25, 2014				146,800		146,800	
1464	Improvements to the Municipal Pool	July 20, 2017				57,550		57,550	
1488/1497	Acquisition of Rescue Boat for Fire Department	July 25, 2014				109,945		109,945	
1489/1496	Repairs to the Edgewater Marina	July 25, 2014				231,500		231,500	
1498	Acquisition of a Trailer Mounted Generator	July 25, 2014				57,350		57,350	
1502	Various Acquisitions and Improvements	July 23, 2015				843,896		843,896	
1514	Improvements to Veteran's Field	July 23, 2015				3,668,500		3,668,500	
1517	Improvements to Undercliff Avenue	July 20, 2017				113,750		113,750	
1519	Improvements to Veteran's Field	July 21, 2016				5,700,000		5,700,000	
1525	Acquisition of Fire Truck	July 21, 2016				491,150		491,150	
1526	Local Share of Various Port Security Acqs.	July 21, 2016				33,250		33,250	
1534	Improvements to Veteran's Field	July 21, 2016				8,064,274		8,064,274	
1534	Improvements to Veteran's Field	July 20, 2017				8,000		8,000	
1538	Historical Borough Hall Imprps. - Phase III	July 20, 2017				1,424,919		1,424,919	
1544	Improvements to Old River Road, Phase III	July 19, 2018				185,000		185,000	
1550	Various Acquisitions and Improvements	July 19, 2018				686,446		686,446	
1561	Historic Borough Hall Improvements - Phase III	July 18, 2019	July 18, 2019	July 17, 2019	2.00%		95,000		95,000
2018-3	Various Acquisitions and Improvements (Amend Ord. 1550)								
2018-14	Amend 1538/1561: Historic Borough Hall Improvements - Phase III	July 18, 2019	July 18, 2019	July 17, 2019	2.00%		1,257,900		1,257,900
2018-15	Various Acquisitions and Improvements	July 18, 2019	July 18, 2019	July 17, 2019	2.00%		152,000		152,000
							820,100		820,100
						\$ 30,204,000	2,325,000	30,204,000	2,325,000
							2,325,000		
								1,400,000	
								1,057,155	
								27,240,000	
								506,845	
						\$	2,325,000	30,204,000	30,204,000

Cash
 Premium on Bond Utilized for Paydown
 Excess Note Proceeds - Ord. 1474/1514
 Bond Sale Proceeds
 Reserve for Payment of Notes

BOROUGH OF EDGEWATER

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ 1,838,010
Increased by:	
Transferred from Reserve for Receivables	<u>57,744</u>
	1,895,754
Decreased by:	
Utilized as Paydown on Note Renewal	<u>506,845</u>
Balance - December 31, 2019	<u><u>\$ 1,388,909</u></u>

<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. 1457 - Unexpended Note Proceeds	15
Ord. 1226, 1272, 1327	183,407
Ord. 1474 - Veteran's Field	2
Ord. 1482/1510 - Unexpended Note Proceeds	6
Ord. 1488/1497 - Unexpended Note Proceeds	89
Ord. 1489/1496 - Unexpended Note Proceeds	28
Ord. 1502 - Unexpended Note Proceeds	86
Ord. 1517 - Undercliff Avenue Imps	3
Ord. 1544	146,025
Ord. 1464	<u>33</u>
	<u><u>\$ 1,388,909</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	12,004
Increased by:		
Interest Earned on Investments		2,649
Balance - December 31, 2019	\$	14,653

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	541,346
Increased by:		
2019 Budget Appropriation		200,000
		741,346
Decreased by:		
Appropriated to Finance Improvement Authorizations		67,000
Balance - December 31, 2019	\$	674,346

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2018		2019 Authorizations	Expended	Balance, Dec. 31, 2019	
				Funded	Unfunded			Funded	Unfunded
1460	Imps. to the DPW and Community Center Parking Lots	Oct. 17, 2011	170,000	6,097	107,980	451	113,626		
1474/1514/1519/1534	Improvements to Veteran's Field	May 24, 2012	9,700,000		1,651,445	216,058	1,432,151		3,236
		Sept. 15, 2014	4,000,000						
		May 18, 2015	6,000,000						
		May 16, 2016	8,500,000						
1517	Improvements to Undercliff Avenue	Apr. 24, 2015	225,000		38,859	14,018	24,841		
1525	Acquisition of a Fire Truck	Sept. 14, 2015	550,000		5,292	2,491	2,801		
1538/1561/2018-14	Historic Borough Hall Improvements - Phase 3	Oct. 17, 2016	1,500,000		216,853	66,779			150,074
		Aug. 13, 2018	160,000						
1544	Improvements to River Road, Phase III	Apr. 17, 2017	185,000		44,898	37,665	7,233		
1547	Acquisition of Property - 615 River Road	July 17, 2017	25,000,000	1,248,870	23,750,000		1,248,870		23,750,000
1550/2018-3	Various Acquisitions and Improvements	Sept. 18, 2017	1,050,000		1,719,811	949,079			770,732
		Mar 19, 2018	1,302,000						
2018-15/2019-10	Various Acquisitions and Improvements	Sept. 10, 2018	865,000	14,016	821,750	611,551			364,215
2019-11	Acquisition of Property	Oct. 31, 2019	140,000				10,000		190,000
2019-12	Historic Borough Hall Improvements - Phase IV	Dec. 16, 2019	200,000				50,000		950,000
		Dec. 16, 2019	1,000,000						
				\$ 1,268,983	28,356,888	1,340,000	1,898,092	2,775,896	26,291,883
				Capital Improvement Fund	67,000				
				Deferred Charges Unfunded	1,273,000				
				\$	1,340,000				

Exhibit C-20

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$ <u>79,408</u>
Balance - December 31, 2019	\$ <u><u>79,408</u></u>

Exhibit C-21

Schedule of Reserve for Receivables
General Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$ 130,651
Decreased by:	
Transferred to Reserve for payment of Debt	<u>57,744</u>
Balance - December 31, 2019	\$ <u><u>72,907</u></u>
	<u>Analysis of Balance</u>
CDBG - Undercliff Avenue Imps. - (Palisades Terr. to Archer)	\$ <u><u>72,907</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance, Dec. 31, 2018	2019 Authorizations	Decreased by:	Balance, Dec. 31, 2019
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613			252,613
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500
1474	Improvements to Veteran's Field	510			510
1534	Improvements to Veteran's Field	2,726			2,726
1538/1561	Historic Borough Hall Improvements - Phase III	95,081		95,000	81
1547	Acquisition of 615 River Road	23,750,000			23,750,000
1550	Various Acquisitions and Improvements	8,427			8,427
2018-3	Various Acquisitions and Improvements (Amend Ord. 1550)	1,257,900		1,257,900	
2018-14	Amend 1538/1561: Historic Borough Hall Improvements	152,000		152,000	
2018-15/					
2019-10	Various Acquisitions and Improvements	821,750	133,000	820,100	134,650
2019-11	Acquisition of Property		190,000		190,000
2019-12	Historic Borough Hall Improvements - Phase IV		950,000		950,000
		\$ 26,502,507	1,273,000	2,325,000	25,450,507
	2019 Improvement Authorizations \$		1,273,000		
				Notes Issued \$	2,325,000

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Operating Fund
Year ended December 31, 2019

Balance - December 31, 2018		\$	481,122
Cash Receipts:			
Membership/Slip Rentals	\$		444,740
2020 Prepaid Slip Rental Revenue		<u>11,000</u>	
			<u>455,740</u>
			936,862
Cash Disbursements:			
2019 Appropriations	\$		342,600
2018 Appropriation Reserves		<u>56,705</u>	
			<u>399,305</u>
Balance - December 31, 2019		\$	<u><u>537,557</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018		\$ 346,904
Cash Receipts:		
Bonds Issued	\$ 1,005,000	
Fund Balance	109,930	
Interfunds	2,410	
		1,117,340
		1,464,244
Cash Disbursements:		
Improvement Authorizations		17,264
Balance - December 31, 2019		\$ 1,446,980

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2019

Due from Federal Emergency Management Agency	(247,943)
Interfunds Payable	1,389,000
Fund Balance	32,132

Improvement Authorizations:

<u>Ordinance</u> <u>number</u>	<u>Improvement Description</u>	
1465	Acquisition of Marina Dredging Equipment	30,823
1467	Dredging of the Marina	223,470
2017-1551/ 2018-004	Various Marina Improvements	<u>19,498</u>
		<u>\$ 1,446,980</u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	Balance, Dec. 31, <u>2019</u>
Marina Utility Capital Fund	\$ 300,590	2,410	303,000
General Capital Fund		<u>31,165</u>	<u>31,165</u>
	<u>\$ 300,590</u>	<u>33,575</u>	<u>334,165</u>
Interest Earnings	\$ 2,410		
Grants Receivable		<u>31,165</u>	
		<u>\$ 33,575</u>	

Exhibit D-9

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Marina Utility Operating Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$	72,576
Increased by:		
Grant Awards		<u>16,725</u>
		89,301
Decreased by:		
Interfunds		<u>31,165</u>
Balance - December 31, 2019	\$	<u><u>58,136</u></u>

Analysis of Balance

FY17 Port Security Grant	\$	8,937
FY18 Port Security Grant		32,474
FY19 Port Security Grant		<u>16,725</u>
	\$	<u><u>58,136</u></u>

BOROUGH OF EDGEWATER

Schedule of 2018 Reserves - Operating

Marina Utility Operating Fund

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 39,750	28,751		28,751
Other Expenses	2,123	46,152	43,275	2,877
2017 Port Security	35,745	35,745		35,745
2018 Port Security	36,831	36,831	13,430	23,401
	<u>\$ 114,449</u>	<u>147,479</u>	<u>56,705</u>	<u>90,774</u>

Appropriation Reserves	\$ 114,449
Encumbrances	<u>33,030</u>
	<u>\$ 147,479</u>

Exhibit D-11

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	33,030
Increased by:		
Transferred from Budget		<u>2,140</u>
		35,170
Decreased by:		
Transferred to Appropriation Reserves		<u>33,030</u>
Balance - December 31, 2019	\$	<u><u>2,140</u></u>

Exhibit D-12

Schedule of Prepaid Slip Revenue
Marina Utility Operating Fund
Year ended December 31, 2019

Balance - December 31, 2018	\$	13,580
Increased by:		
2019 Slip Rental Revenue		<u>11,000</u>
		24,580
Decreased by:		
Slip Rental Realized as Revenue		<u>13,580</u>
Balance - December 31, 2019	\$	<u><u>11,000</u></u>

BOROUGH OF EDGEWATER

Schedule of Accrued Interest

Marina Operating Utility Fund

Year ended December 31, 2019

Balance - December 31, 2018 \$ 4,432

Balance - December 31, 2019 \$ 4,432

<u>Principal Outstanding</u>	<u>Interest</u>			<u>Required</u>	<u>Actual</u>
<u>December 31, 2019</u>	<u>Rate</u>	<u>From</u>	<u>To</u>		
Serial Bonds Payable					
1,005,000	4.00%	7/9/19	12/31/19	<u>19,095</u>	<u>4,432</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, 2019

Balance - December 31, 2018	\$ <u>247,943</u>
Balance - December 31, 2019	\$ <u><u>247,943</u></u>

BOROUGH OF EDGEWATER
Schedule of Fixed Capital Authorized
and Uncompleted
Marina Utility Capital Fund
Year ended December 31, 2019

Balance - December 31, 2018 \$ 1,892,996

Balance - December 31, 2019 \$ 1,892,996

Analysis of Balance
Ord. 1465 450,000
Ord. 1467 742,996
Ord. 2017-1551/2018-004 700,000
\$ 1,892,996

BOROUGH OF EDGEWATER

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

Year ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	Balance, Dec. 31, <u>2019</u>
Marina Utility Operating	\$ 300,590	2,410	303,000
General Capital Fund	<u> </u>	<u>1,086,000</u>	<u>1,086,000</u>
	<u>\$ 300,590</u>	<u>1,088,410</u>	<u>1,389,000</u>

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

Marina Utility Capital Fund

Year ended December 31, 2019

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2018		Paid or Charged	Balance Dec. 31, 2019	
				Funded	Unfunded		Funded	Unfunded
1465	Acquisition of Marina Dredging Equipment	Dec. 19, 2011	450,000 \$		30,823			30,823
1467	Dredging of the Marina	Mar. 5, 2012	742,996	223,470			223,470	
2017-1551/ 2018-004	Various Marina Improvements	Sept. 18, 2017	590,000		36,762	17,264		19,498
			\$	<u>223,470</u>	<u>67,585</u>	<u>17,264</u>	<u>223,470</u>	<u>50,321</u>

BOROUGH OF EDGEWATER

Schedule of Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2019

Balance - December 31, 2018	\$ 64,000
Increased by:	
Paydown on Bond Anticipation Note	<u>81,000</u>
Balance - December 31, 2019	<u>\$ 145,000</u>

Schedule of Deferred Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2018</u>	Balance Dec. 31, <u>2019</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		<u>\$ 742,996</u>	<u>742,996</u>

BOROUGH OF EDGEWATER, N.J.

Schedule of Serial Bonds

Marina Utility Operating Fund

Year ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>			
General Obligation Bonds	July 9, 2019	1,050,000	Feb. 15, 2020	65,000	4.00%	\$ 1,005,000	1,005,000
			Feb. 15, 2021	70,000	4.00%		
			Feb. 15, 2022	75,000	4.00%		
			Feb. 15, 2023	80,000	4.00%		
			Feb. 15, 2024	85,000	4.00%		
			Feb. 15, 2025	90,000	4.00%		
			Feb. 15, 2026	90,000	4.00%		
			Feb. 15, 2027	100,000	4.00%		
			Feb. 15, 2028	110,000	4.00%		
			Feb. 15, 2029	120,000	4.00%		
			Feb. 15, 2030	120,000	3.00%		
						\$ 1,005,000	1,005,000

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

Marina Utility Capital Fund

Year ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2018</u>	Increased by: 2019 <u>Authorizations</u>	Decreased in 2019
2017-1551/ 2018-004	Various Marina Improvements	\$ _____	_____	_____
		\$ _____	_____	_____

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2019

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2018	\$ <u>3,256</u>	<u>13,071</u>	<u>16,327</u>
Increased by:			
Interest Earned	<u>33</u>	<u>5</u>	<u>38</u>
	<u>33</u>	<u>5</u>	<u>38</u>
	3,289	13,076	16,365
Decreased by:			
Cash Disbursement	<u>3,286</u>	<u>13,075</u>	<u>16,361</u>
Balance - December 31, 2019	\$ <u><u>3</u></u>	<u><u>1</u></u>	<u><u>4</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year ended December 31, 2019

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Due to/from Current</u>
Balance - December 31, 2018	\$ 32,627	3,256	13,071	16,300
Increased by:				
Interest Earned	38	33	5	
	32,665	3,289	13,076	16,300
Decreased by:				
Cash Disbursement	32,661	3,286	13,075	16,300
Balance - December 31, 2019	\$ <u>4</u>	<u>3</u>	<u>1</u>	

BOROUGH OF EDGEWATER N.J.

Schedule of Interfunds

Public Assistance Trust Fund

Year ended December 31, 2019

	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Current Fund	16,300	_____	16,300	0
	<u>\$ 16,300</u>	<u>0</u>	<u>16,300</u>	<u>0</u>
Cash Disbursements			16,300	
		<u>\$ 0</u>	<u>16,300</u>	

Exhibit F-1

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Sewer Facilities Grant Fund

Year ended December 31, 2019

Balance - December 31, 2018 \$ 74,501

Balance - December 31, 2019 \$ 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, 2019

Balance - December 31, 2018 \$ 74,501

Balance - December 31, 2019 \$ 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, 2019



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
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NEWTON OFFICE
100B MAIN STREET
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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, 2019 and the related notes to the financial statements, and have issued our report thereon dated July 2, 2020, 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

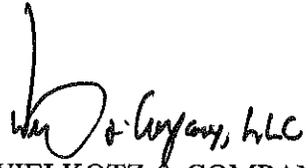
As part of obtaining reasonable assurance about whether the Borough of Edgewater's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 2, 2020

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

BOROUGH OF EDGEWATER

GENERAL COMMENTS, (continued)

contracting unit may, be resolution 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:

Uniforms for Recreation Programs	2018 Road Program
Emergency Vehicles	Elevator Inspections
Process Recyclables	Emergency Medical Services Billing

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 ___, 2019.

"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 November 26, 2019 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, 2019	4
December 31, 2018	5
December 31, 2017	4

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

**BOROUGH OF EDGEWATER
COMMENTS
DECEMBER 31, 2019**

Finance

1. The Current Temporary Budget exceeded the statutory maximum.
2. The balance of escrow deposits per developer per the bank statement is not in agreement with that is reported in the general ledger.

Purchasing

1. Multiple items included in an awarding bid package were not completed nor notarized.

Payroll

1. There were multiple instances in which overtime timesheets were missing the date and signature of approval.

Departments

1. *Deposits were not made within 48 hours of receipt as required by N.J.S.A. 40A:5-15 for the following departments:
 - a. Building Department
 - b. Marina Operating
 - c. Borough Clerk
 - d. Recreation
2. Receipts per the Recreation receipt ledger do not agree to the amount being deposited.
3. The Police Department is not issuing receipts for monies being collected.

Court

1. There were an excessive amount of tickets which had been assigned but not issued which were greater than 180 days old.
2. There were an excessive number of tickets eligible for dismissal on the December Monthly Management Report.
3. The Bail Account bank reconciliation includes outstanding checks greater than 180 days as reconciling items.
4. The Bail account was not reconciled for the months of November and December.
5. The reconciled cash bail per the bank account does not agree to the Bail on Account per ATS/ACS/

**BOROUGH OF EDGEWATER
RECOMMENDATIONS
DECEMBER 31, 2019**

Finance

1. That the Current Temporary Budget be within the statutory maximum.
2. The balance of escrow deposits per the developer per the bank statement should be reviewed monthly and adjustments be made to agree the general ledger.

Purchasing

1. That all items in an awarding bid package be complete and notarized.

Payroll

1. That all approved overtime timesheets include the date and signature of approval.

Departments

1. *That more care be taken to ensure deposits are made within 48 hours of receipt as required by N.J.S.A. 40A:5-15 for the following departments:
 - a. Building Department
 - b. Marina Operating
 - c. Borough Clerk
 - d. Recreation
2. That more care be taken to ensure receipts per the Recreation receipt ledger agree to the amount being deposited.
3. That receipts be issued for any monies collected by the Police Department

Court

1. Tickets assigned over 180 days be recalled and re-issued by the Court.
2. That items eligible for dismissal be dismissed in a timely manner.
3. All stale dated outstanding checks should be reviewed and voided as appropriate.
4. Bank reconciliations must be performed on a timely basis.
5. Bail on Account must be reconciled to the Bail Account cash on a monthly basis.

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 “*”.

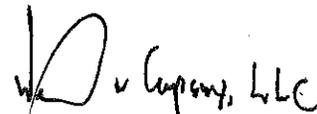
Acknowledgment

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. Wielkocz
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 2, 2020