

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2020

(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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, 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 \$1,377,204 and \$1,221,821 for 2020 and 2019, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.



Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the 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, 2020 and 2019, 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, 2020 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 August 24, 2021 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



The Honorable Mayor and
Members of the Borough Council
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internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal control over financial reporting and compliance.



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



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

August 24, 2021



BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2020</u>	Dec. 31, <u>2019</u>
Current Fund:			
Cash	A-4	\$ 11,191,133	10,838,028
Petty Cash		250	250
Change Funds		200	200
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	<u>36,218</u>	<u>34,698</u>
		<u>11,227,801</u>	<u>10,873,176</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	2,016,702	1,722,694
Property Acquired for Taxes - Assessed Valuation	A-17	3,844,775	3,844,775
Tax Title Liens	A-6	90,592	84,212
Revenue Accounts Receivable	A-7	221,302	164,629
Local School District Tax Receivable	A-9		2,984
Interfunds Receivable	A-19	<u>25,511</u>	<u>23,146</u>
		<u>6,198,882</u>	<u>5,842,440</u>
Deferred Charges:			
Emergency Appropriations	A-22	100,000	400,000
Special Emergency Authorizations	A-23	<u>1,394,575</u>	
		<u>1,494,575</u>	<u>400,000</u>
		<u>18,921,258</u>	<u>17,115,616</u>
State and Federal Grant Fund:			
Grants Receivable	A-25	81,716	71,840
Due from Current Fund	A-26	<u>340,039</u>	<u>332,023</u>
		<u>421,755</u>	<u>403,863</u>
		<u>\$ 19,343,013</u>	<u>17,519,479</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2020</u>	<u>Dec. 31,</u> <u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3,A-12	\$ 1,980,433	1,496,979
Local School District Tax Payable	A-9	70,866	
Encumbrances Payable	A-13	778,721	379,832
County Added and Omitted Taxes Payable	A-11	81,700	13,617
Tax Overpayments	A-14	245,488	2,436
Prepaid Taxes	A-15	585,184	421,544
Marriage License Fees Payable	A-16	475	275
Reserve for Tax Title Lien Premium	A-18	257,900	458,100
Interfund Payables:	A-19	680,998	444,377
Various Miscellaneous Reserves	A-20	1,258,147	1,006,600
Accounts Payable	A-21	21,937	21,937
Special Emergency Notes	A-24	250,000	
		<u>6,211,849</u>	<u>4,245,697</u>
Reserve for Receivables and Other Assets	A	6,198,882	5,842,440
Fund Balance	A-1	<u>6,510,527</u>	<u>7,027,479</u>
		<u>18,921,258</u>	<u>17,115,616</u>
State and Federal Grant Fund:			
Appropriated Reserves	A-27	343,868	268,412
Unappropriated Reserves	A-28	77,887	135,451
		<u>421,755</u>	<u>403,863</u>
		<u>\$ 19,343,013</u>	<u>17,519,479</u>

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, 2020

	Dec. 31, <u>2020</u>	Dec. 31, <u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,800,000	3,300,000
Miscellaneous Revenue Anticipated	4,001,060	5,004,971
Receipts from Delinquent Taxes	1,752,819	2,019,969
Receipts from Current Taxes	55,724,389	54,553,370
Nonbudget Revenues	652,655	561,173
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	610,616	558,068
Interfunds Returned	13,543	
COVID-19 Special Emergency	<u>1,144,575</u>	
Total Revenue	<u>67,699,657</u>	<u>65,997,551</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriation within "CAPS":		
Operations:		
Salaries and Wages	9,766,979	9,958,817
Other Expenses	10,045,410	9,808,929
Deferred Charges and Statutory Expenditures	2,068,365	2,316,671
Appropriations Excluded from "CAPS":		
Operations:		
Other Expenses	3,023,226	4,209,948
Capital Improvements	200,000	200,000
Municipal Debt Service	4,929,296	3,971,087
Deferred Charges and Statutory Expenditures	900,000	200,000
County Taxes	10,074,239	10,087,457
Due County for Added Taxes	81,700	13,617
Local District School Taxes	23,385,226	22,336,883
Interfund Advanced	29,000	
Refund Prior Year Revenue	<u>263,168</u>	<u>4,581</u>
Total Expenditures	<u>64,766,609</u>	<u>63,107,990</u>
Excess in Revenue	<u>2,933,048</u>	<u>2,889,561</u>
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>350,000</u>	<u>400,000</u>
Statutory Excess to Surplus	3,283,048	3,289,561
Fund Balance - January 1,	<u>7,027,479</u>	<u>7,037,918</u>
	10,310,527	10,327,479
Decreased by Utilization as Anticipated Revenue	<u>3,800,000</u>	<u>3,300,000</u>
Fund Balance - December 31,	<u>\$ 6,510,527</u>	<u>7,027,479</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2020

	Budget	Realized	Excess (deficit)
Surplus Anticipated	\$ 3,800,000	3,800,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	30,000		(30,000)
Other	40,000	57,124	17,124
Fees and Permits:			
Other	250,000	299,999	49,999
Construction Code Official	500,000	515,710	15,710
Fines and Costs Municipal Court	180,000	72,796	(107,204)
Interest and Costs on Taxes	200,000	424,279	224,279
Interest on Investments and Deposits	25,000	15,240	(9,760)
Consolidated Municipal Property Tax Relief Aid	102,260	62,212	(40,048)
Energy Receipts Tax	648,471	688,519	40,048
Recycling Tonnage Grant	37,390	37,390	
Clean Communities	43,247	43,247	
Alcohol Education and Rehabilitation	1,286	1,286	
Municipal Alliance	9,876	9,876	
Drunk Driving Enforcement Fund	2,810	2,810	
FEMA	27,115	27,115	
CARES Act	57,248	57,248	
Uniform Fire Safety Act	20,000	36,161	16,161
Commercial Sewer Fees	400,000	324,783	(75,217)
General Capital Fund Balance	500,000	500,000	
Hotel Tax	300,000	263,763	(36,237)
PILOT Payments - Waterview Towers	400,000	561,502	161,502
Total Miscellaneous Revenues	<u>3,774,703</u>	<u>4,001,060</u>	<u>226,357</u>
Receipts from Delinquent Taxes	<u>1,720,000</u>	<u>1,752,819</u>	<u>32,819</u>
Subtotal General Revenues	9,294,703	5,753,879	259,176
Amount to be Raised by Taxes for Support of Municipal			
Budget - Local Tax for Municipal Purposes			
Including Reserve for Uncollected Taxes	22,842,929		
Minimum Library Tax	<u>1,335,291</u>	<u>24,283,224</u>	<u>105,004</u>
Budget Totals	33,472,923	30,037,103	364,180
Non-Budget Revenue		<u>652,655</u>	<u>652,655</u>
	<u>\$ 33,472,923</u>	<u>30,689,758</u>	<u>1,016,835</u>
Adopted Budget	33,365,244		
Appropriated by N.J.S.A. 40A:4-87	<u>107,679</u>		
	<u>\$ 33,472,923</u>		

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Current Fund
Year ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections;	
Revenue from Collections	\$ <u>55,724,389</u>
Allocated to:	
Local District School Tax	23,385,226
County Taxes	<u>10,155,939</u>
	<u>33,541,165</u>
Balance for Support of Municipal Budget Appropriations	22,183,224
Reserve for Uncollected Taxes	<u>2,100,000</u>
	<u>\$ 24,283,224</u>
Receipts from:	
Delinquent Tax Collections	\$ <u>1,752,819</u>
	<u>\$ 1,752,819</u>

Analysis of Miscellaneous Revenue Not Anticipated

Police Fees	\$ 9,038
PILOT	6,605
Miscellaneous	9,296
Parking Permits	6,373
Advertising Fees	32,070
Electric Car Meters	2,055
Sale of Assets	12,678
Municipal JIF Reimbursement	171,759
Polling Place	40
Credit Card Fees	9,203
Online Sale	74,852
Parking Meters	15,933
CARES Act	126,459
Ambulance Fees	<u>176,294</u>
	<u>\$ 652,655</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 546,000	546,000	490,884	5,116	50,000
Other Expenses	281,250	281,250	214,472	66,778	
Mayor and Council:					
Salaries and Wages	93,000	93,000	93,000		
Elections:					
Salaries and Wages	5,014	5,014	2,533	2,481	
Other Expenses	7,560	7,560	1,240	6,320	
Financial Administration:					
Annual Audit	35,000	35,000	16,983	18,017	
Other Expenses	75,000	75,000	71,050	3,950	
Collection of Taxes:					
Salaries and Wages	125,965	131,827	131,827		
Other Expenses	41,900	41,900	32,794	9,106	
Assessment of Taxes:					
Salaries and Wages	97,000	97,000	66,614	386	30,000
Other Expenses:					
Consultant and Legal Fees-Tax Appeals	56,000	56,000	22,108	33,892	
Miscellaneous Other Expenses	25,100	25,100	14,091	11,009	
Legal Services and Costs:					
Other Expenses	695,000	695,000	442,022	252,978	
Engineering Service and Cost:					
Miscellaneous Other Expenses	140,000	215,000	199,550	15,450	
Insurance:					
Hospitalization	3,000,000	3,084,000	3,040,442	43,558	
Other Insurance	744,000	718,647	718,463	184	
Public Building and Grounds:					
Other Expenses	288,900	288,900	281,720	7,180	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

<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>	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	7,500	7,500	6,919	581	
Other Expenses	16,000	16,000	15,345	655	
Zoning Board:					
Salaries and Wages	16,000	18,935	18,934	1	
Other Expenses	31,900	31,900	24,651	7,249	
Rent Leveling Board:					
Salaries and Wages	7,500	7,500	6,884	616	
Other Expenses	9,700	9,700	1,668	8,032	
Housing Inspector:					
Salaries and wages	10,000	10,000		10,000	
Other Expenses	3,500	3,500		3,500	
PUBLIC SAFETY:					
Fire:					
Salaries and Wages	408,500	408,500	382,293	26,207	
Other Expenses	267,500	267,500	265,316	2,184	
Fire Hydrant Services	192,000	192,000	147,506	44,494	
Volunteer First Aid:					
Salaries and Wages	359,000	412,273	412,272	1	
Other Expenses	133,100	133,100	93,986	39,114	
Fire Prevention:					
Other Expenses	38,500	38,500	33,995	4,505	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Police:					
Salaries and Wages	5,620,500	5,520,500	4,947,189	123,311	450,000
Other Expenses:					
Miscellaneous Other Expenses	295,200	335,200	322,461	12,739	
Automobiles	80,200	80,200	57,125	23,075	
Emergency Management Services:					
Salaries and Wages	6,000	6,000	5,000	1,000	
Other Expenses	3,000	3,000	371	2,629	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,965,000	1,965,000	1,820,164	54,836	90,000
Other Expenses	232,700	332,700	263,114	69,586	
Snow Removal - Other Expenses	83,000	83,000	48,095	34,905	
Health and Welfare:					
Board of Health:					
Salaries and Wages	145,000	147,074	147,074		
Other Expenses	175,050	175,050	119,531	55,519	
Dog Regulation - Other Expenses	9,300	9,300	4,475	4,825	
Administration of Public Assistance:					
Emergency Assistance	1,500	1,500		1,500	
Recreation and Education:					
Parks and Playgrounds - Other Expenses	99,700	99,700	72,138	27,562	
Recreation:					
Salaries and Wages	500,000	426,000	291,509	134,491	
Other Expenses	227,400	227,400	58,663	168,737	
Celebration of Public Event, Anniversary or Holiday - Other Expenses	41,000	41,000	16,606	24,394	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

<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	34,350	34,350	7,033	27,317	
Sanitation:					
Garbage and Trash removal:					
Other Expenses	900,000	900,000	796,783	103,217	
Recycling Program:					
Salaries and Wages	52,000	52,000	50,427	1,573	
Municipal Court:					
Salaries and Wages	170,000	170,000	153,630	16,370	
Other Expenses	25,000	25,000	4,455	20,545	
Occupational Safety Health Act					
Board of Health - Other Expenses	2,000	2,000		2,000	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code Official:					
Salaries and Wages	362,000	362,000	358,859	3,141	
Other Expenses	94,500	94,500	53,577	40,923	
UNCLASSIFIED:					
Utilities:					
Gas & Electric	390,000	390,000	249,747	140,253	
Street Lighting	225,000	225,000	212,379	12,621	
Water	110,000	110,000	91,232	18,768	
Fuel	120,000	120,000	51,734	68,266	
Telephone	250,600	250,600	239,167	11,433	
Pilots - Bergen County 5%	35,353	35,353	35,353		
Reassessment of Real Property	250,000	250,000	250,000		
Salary and Wage Adjustment	125,000	60,856		856	60,000
Total Operations within "CAPS"	20,137,389	20,487,389	17,977,453	1,829,936	680,000

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent-within "CAPS"	20,142,389	20,492,389	17,977,453	1,834,936	680,000
Detail:					
Salaries & Wages	10,620,979	10,446,979	9,386,012	380,967	680,000
Other Expenses (Including Contingent)	9,521,410	10,045,410	8,591,441	1,453,969	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	20,142,389	20,492,389	17,977,453	1,834,936	680,000
DEFERRED CHARGES:					
Emergency Authorizations					
Prior Year Bills:					
North Arlington Police Department	300	300	300		
Occupational Medicine	100	100	100		
Contribution to:					
Public Employees' Retirement System	506,708	506,708	455,235	1,473	50,000
Social Security System (O.A.S.I.)	510,000	510,000	468,802	1,198	40,000
Consolidated Police and Firemen's Pension Fund	10,000	10,000			10,000
Police and Firemen's Retirement System	1,136,757	1,136,757	1,136,757		
Unemployment Insurance	4,500	4,500	1,510	2,990	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,168,365	2,168,365	2,062,704	5,661	100,000
Total General Appropriations for Municipal Purposes within "CAPS"	22,310,754	22,660,754	20,040,157	1,840,597	780,000

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

<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>	
Operations-Excluded from "CAPS"				
Maintenance of Free Public Library	1,335,291	1,335,291	1,205,855	129,436
LOSAP	84,000	84,000	73,600	10,400
Reserve for Tax Appeals	200,000	200,000	200,000	
Bergen County Utilities Authority-Share of Costs -Sewer Operating	1,222,495	1,222,495	1,222,495	
Total Operations-Excluded from "CAPS"	2,841,786	2,841,786	2,701,950	139,836
Public and Private Programs Offset with Revenues:				
Clean Community Program	43,247	43,247	43,247	
FEMA	27,115	27,115	27,115	
Bergen County Census	2,810	2,810	2,810	
CARES Act	57,247	57,247	57,247	
Recycling Tonnage	37,390	37,390	37,390	
Municipal Alliance:				
Other Expenses	9,876	9,876	9,876	
Matching Funds	2,469	2,469	2,469	
Alcohol Education Rehabilitation Fund	1,286	1,286	1,286	
Total Public and Private Programs Offset with Revenue	181,440	181,440	181,440	
Total Operations-Excluded from "CAPS"	3,023,226	3,023,226	2,883,390	139,836
Detail:				
Other Expenses	3,023,226	3,023,226	2,883,390	139,836

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Capital Improvements-Excluded from "CAPS" Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements Excluded from "CAPS"	200,000	200,000			
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	3,035,000	3,035,000	3,035,000		
Interest on Bonds	1,390,350	1,390,350	1,390,350		129
Interest on Notes	46,500	46,500	46,371		1,889
Green Trust Loan Program	92,500	92,500	90,611		
BCIA					
Principal	57,000	57,000	57,000		
Interest	2,592	2,592	1,675		917
New Jersey Infrastructure Trust Loan					
Principal	285,000	285,000	278,651		6,349
Interest	30,000	30,000	29,638		362
Total Municipal Debt Service-Excluded from "CAPS"	4,938,942	4,938,942	4,929,296		9,646
Deferred Charges: Emergency Authorization	400,000	400,000	400,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	400,000	400,000	400,000		
Transferred to Board of Education for Use of Local Schools	500,000	500,000	500,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	9,062,168	9,062,168	8,912,686	139,836	9,646
Subtotal General Appropriations	31,372,922	31,722,922	28,952,843	1,980,433	789,646

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2020

<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>
Reserve for Uncollected Taxes	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>		
Total General Appropriations	<u>\$ 33,472,922</u>	<u>33,822,922</u>	<u>31,052,843</u>	<u>1,980,433</u>	<u>789,646</u>
Adopted Budget	33,365,244				
Added by N.J.S.A. 40A: 4-87	107,678				
Emergency	100,000				
Special Emergency	250,000				
	<u>\$ 33,822,922</u>				
<u>Analysis of Paid or Charged</u>					
Federal and State Grant Fund			181,440		
Deferred Charges			400,000		
Transfer to Reserve for Overpayments			200,000		
Reserve for Uncollected Taxes			2,100,000		
Reserve for Encumbrances			778,721		
Cash			27,392,682		
			<u>\$ 31,052,843</u>		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Trust Funds
December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal License Fund:			
Cash	B-1	\$ <u>101</u>	<u>100</u>
Escrow Trust Fund:			
Cash	B-1	<u>202,925</u>	<u>168,439</u>
Other Trust Funds:			
Cash	B-1	794,911	773,462
Interfunds Receivable	B-5	<u>2,141</u>	<u>741</u>
		<u>797,052</u>	<u>774,203</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,299,004	1,148,221
Contributions Receivable	B-7	<u>78,200</u>	<u>73,600</u>
		<u>1,377,204</u>	<u>1,221,821</u>
		<u>\$ 2,377,282</u>	<u>2,164,563</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	96	95
Due to State of New Jersey	B-3	5	5
		<u>101</u>	<u>100</u>
Escrow Trust Fund:			
Escrow Deposits	B-4	202,882	168,401
Due to Current Fund	B-5	43	38
		<u>202,925</u>	<u>168,439</u>
Other Trust Funds:			
Interfunds Payable	B-5	57,682	55,323
Reserve for:			
Cemetery Bequests	B-6	16,939	16,937
Bullet Proof Vests	B-6	17,062	13,604
Ferry Performance Security	B-6	195,447	195,447
Fire Prevention	B-6	5,436	2,259
POAA	B-6	12,997	12,835
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	63,074	69,343
Recycling Fees	B-6	19,000	19,000
Recycling	B-6	20,520	16,197
Bergen County CDA Trust	B-6	102	102
Flexible Spending Trust	B-6	36,152	23,902
Municipal Alliance Trust	B-6	8,374	8,292
Shade Tree	B-6	7,809	4,504
Police Confiscated	B-6	3,109	3,109
		<u>797,052</u>	<u>774,203</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	1,377,204	1,221,821
		<u>\$ 2,377,282</u>	<u>2,164,563</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash:			
Checking	C-2,C-3	\$ 6,960,459	5,708,694
Deferred Charges to Future Taxation:			
Funded	C-4	40,850,050	44,292,421
Unfunded	C-5	4,342,362	27,775,507
Grants Receivable:			
New Jersey Department of Transportation	C-6	346,497	180,392
Federal Emergency Management Agency	C-7	7,336	7,336
Community Development Block Grant	C-8	72,907	72,907
Interfunds Receivable	C-9	371,032	1,229,828
Over-Expenditure of Ordinance Appropriation	C-10	2,827	2,827
		<u>\$ 52,953,470</u>	<u>79,269,912</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-9	31,057	31,165
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-11	1,179,708	1,463,043
Green Trust Loan Payable	C-12	1,128,343	1,195,379
Serial Bonds Payable	C-13	38,480,000	41,515,000
Capital Leases Payable	C-14	62,000	119,000
Bond Anticipation Notes	C-15	3,660,000	2,325,000
Reserve for Payment of Debt	C-16	1,388,909	1,388,909
Reserve for Green Acres	C-17	17,316	14,653
Capital Improvement Fund	C-18	1,866,966	674,346
Improvement Authorizations:			
Funded	C-19	1,407,864	2,775,896
Unfunded	C-19	2,552,379	26,291,883
Unappropriated State Grant	C-20	79,408	79,408
Reserve for Grants Receivable	C-21	239,012	72,907
Fund Balance	C-1	860,508	1,323,323
		<u>\$ 52,953,470</u>	<u>79,269,912</u>

There were \$682,362 and \$25,450,507 of Bonds and Notes Authorized But Not Issued December 31, 2020 and 2019 (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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance - January 1,	\$ 1,323,323	1,805,654
Increased by Receipts:		
Prior Year Void Checks		500
Premium Received on Sale of:		
Bonds		1,404,265
Bond Anticipation Notes	37,185	12,905
	<u>37,185</u>	<u>1,417,670</u>
	1,360,508	3,223,323
Decreased by Disbursements:		
Budget Revenue Realized	500,000	500,000
Utilized for Paydown of Bond Anticipation Notes		1,400,000
	<u>500,000</u>	<u>1,900,000</u>
Balance - December 31,	<u>\$ 860,508</u>	<u>1,323,323</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>
Operating Fund:			
Cash	D-5	750,644	537,557
Interfund Receivables	D-8	31,415	334,165
Grants Receivable	D-9	55,129	58,136
Deferred Charges - Deficit in Operations	D-14	<u>26,851</u>	<u> </u>
Total Operating Fund		<u>864,039</u>	<u>929,858</u>
Capital Fund:			
Cash	D-6,7	37,373	1,446,980
Due from the Federal Emergency Management Agency	D-15	247,943	247,943
Fixed Capital Authorized and Uncompleted	D-16	<u>1,892,996</u>	<u>1,892,996</u>
Total Capital Fund		<u>2,178,312</u>	<u>3,587,919</u>
		<u>\$ 3,042,351</u>	<u>4,517,777</u>

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Marina Utility Fund
December 31, 2020 and 2019

	<u>Ref.</u>	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4/D-10	34,364	81,985
Reserve for Encumbrances	D-11	5,067	2,140
Prepaid Slip Rental Revenue	D-12	5,500	11,000
Accrued Interest on Bonds	D-13	13,807	4,432
Fund Balance	D-1	805,301	830,301
Total Operating Fund		864,039	929,858
Capital Fund:			
Interfund Payables	D-17	358	1,389,000
Improvement Authorizations:			
Funded	D-18	202,505	223,470
Unfunded	D-18	50,321	50,321
Reserve for Amortization	D-19	210,000	145,000
Deferred Reserve for Amortization	D-20	742,996	742,996
Serial Bonds Payable	D-21	940,000	1,005,000
Fund Balance	D-2	32,132	32,132
Total Capital Fund		2,178,312	3,587,919
		\$ 3,042,351	4,517,777

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2020 and December 31, 2019.

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>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 25,000	
Operating Revenues	361,417	471,071
Miscellaneous Revenue Not Anticipated	7,232	6,384
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>60,353</u>	<u>90,774</u>
Total income	<u>454,002</u>	<u>568,229</u>
Expenditures:		
Operations:		
Salaries and Wages	113,503	150,000
Other Expenses	248,050	216,725
Debt Service	115,000	60,000
Merchant Fees	<u>4,300</u>	
Total expenditures	<u>480,853</u>	<u>426,725</u>
Excess/(Deficit) in Operations	(26,851)	141,504
Adjustments to Income before Surplus:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>26,851</u>	
		141,504
Fund Balance, January 1	<u>830,301</u>	<u>688,797</u>
	830,301	830,301
Decreased by Utilization as Anticipated Revenue	<u>25,000</u>	
Fund Balance, December 31,	<u>\$ 805,301</u>	<u>830,301</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, 2020

	<u>2020</u>	<u>2019</u>
Balance - January 1,	\$ 32,132	3,202
Increased by:		
Cash Receipts - Premium on Bonds	<u> </u>	<u>109,930</u>
	32,132	113,132
Decreased by :		
Utilized for Paydown of Bond Anticipation Notes	<u> </u>	<u>81,000</u>
Balance - December 31,	\$ <u>32,132</u>	<u>32,132</u>

See accompanying notes to financial statements

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	25,000	25,000	
Operating Revenues:			
Membership Fees/Slip Rentals	\$ 450,000	333,367	(116,633)
FY20 Port Security Grant	28,050	28,050	
Total Operating Revenues	<u>478,050</u>	<u>361,417</u>	<u>(116,633)</u>
Non-Budget Revenue		<u>7,232</u>	<u>7,232</u>
Total Revenues	<u>\$ 503,050</u>	<u>393,649</u>	<u>(109,401)</u>
Adopted Budget	\$ 475,000		
Added by N.J.S. 40 A:4-87	<u>28,050</u>		
	<u>\$ 503,050</u>		
<u>Analysis of Operating Revenues</u>			
	Cash Receipts	\$ 322,367	
	Grants Receivable	28,050	
	Prepaid Applied	<u>11,000</u>	
		<u>\$ 361,417</u>	
<u>Non-Budget Revenue</u>			
	Interest on Investments	1,249	
	Interest on Investments - Utility Capital Fund	2,625	
	Due from Utility Capital Fund - Interest on Investments	358	
	MRNA	<u>3,000</u>	
		<u>\$ 7,232</u>	

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of Expenditures - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 140,000	140,000	113,502	1	26,497
Other Expenses	220,000	220,000	213,687	6,313	
2020 Port Security	28,050	28,050		28,050	
Debt Service:					
Payment of Bond Principal	65,000	65,000	65,000		
Interest on Bonds	50,000	50,000	50,000		
	<u>\$ 503,050</u>	<u>503,050</u>	<u>442,189</u>	<u>34,364</u>	<u>26,497</u>
		Adopted Budget 475,000			
		Added by N.J.S.A. 40A: 4-87 <u>28,050</u>			
		<u>\$ 503,050</u>			
		Reserve for Encumbrances 5,067			
		Accrued Interest 50,000			
		Cash Disbursed <u>387,122</u>			
			<u>\$ 442,189</u>		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	E-1	\$ <u>6</u>	<u>4</u>
		\$ <u><u>6</u></u>	<u><u>4</u></u>
<u>Reserve</u>			
Reserve for Public Assistance	E-2	\$ <u>6</u>	<u>4</u>
		\$ <u><u>6</u></u>	<u><u>4</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Sewer Facilities Grant Fund
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Land	\$ 38,555,565	38,539,571
Buildings	11,411,173	11,102,862
Vehicles and Equipment	<u>12,632,935</u>	<u>12,556,296</u>
	<u>\$ 62,599,673</u>	<u>62,198,729</u>
 Investment in Fixed Assets	 <u>\$ 62,599,673</u>	 <u>62,198,729</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2020 and 2019

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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019
(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, 2020, the Mayor and Council amended the budget by \$107,679 for additional grants received in addition to several budget transfers. Additionally, a \$100,000 emergency appropriation was approved for sewer fees, a \$250,000 special emergency appropriation was approved for fees incurred for the reassessment of real property, and a \$1,350,000 special emergency appropriation was approved for COVID-19 affected revenue losses. On March 15, 2021, the Mayor and Council deemed the actual amount required for COVID-19 revenue losses to be \$1,144,575. As a result, the Mayor and Council approved the cancellation of the over appropriation of \$205,425 included in the COVID-19 Special Emergency.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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

Basis of Accounting, (continued)

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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

Basis of Accounting, (continued)

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.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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

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.

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, 2020 and 2019
(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)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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, 2020 and 2019
(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, 2020 and 2019
(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>
2020	\$506,708	\$1,136,757	\$-0-
2019	484,885	1,123,969	-0-
2018	438,447	1,046,070	-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, 2020 and 2019
(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, 2020, the Borough had a liability of \$8,690,493 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the Borough's proportion was 0.0532917622 percent, which was an increase/(decrease) of 0.0013915691 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$506,708. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$158,240	\$30,733
Changes of assumptions	281,929	3,638,792
Net difference between projected and actual earnings on pension plan investments	297,048	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>867,732</u>	<u>7,990</u>
Total	<u>\$1,604,949</u>	<u>\$3,677,515</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) 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:	
2021	\$(1,090,498)
2022	(994,203)
2023	(568,161)
2024	(229,755)
2025	(49,691)

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 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, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.0532917622%	.0519001931%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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, 2020 and 2019
(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, 2019 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-2020.

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, 2020) 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, 2020 are summarized in the following table:

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, 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, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$10,957,568	\$8,690,493	\$6,766,817

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, 2020, the Borough had a liability of \$15,292,673 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the Borough's proportion was 0.1183522641 percent, which was an increase of 0.005814384 percent from its proportion measured as of June 30, 2019.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, the Borough recognized pension expense of \$1,136,757. At December 31, 2020, 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	\$154,176	\$54,884
Changes of assumptions	38,484	4,099,874
Net difference between projected and actual earnings on pension plan investments	896,681	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>966,626</u>	<u>497,170</u>
Total	<u>\$2,055,967</u>	<u>\$4,651,928</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) 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:	
2021	\$(1,430,524)
2022	(965,431)
2023	(393,034)
2024	(148,474)
2025	(127,954)

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 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	.1183522641%	.1125378750%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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, 2020 and 2019
(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)

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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, 2020, 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, 2020</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$21,118,826	\$15,292,673	\$10,453,609

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,373,353 and \$2,174,654, respectively. For the years ended December 31, 2020 and 2019, 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 \$268,972 and \$252,677, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$182,628 and \$146,527, 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, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2020</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation Debt	\$41,515,000	\$	\$3,035,000	\$38,480,000	\$3,070,000
Bonds Payable - Marina Utility Debt	1,005,000		65,000	940,000	
Other Liabilities:					
New Jersey Wastewater Loans	1,463,043		283,335	1,179,708	164,289
Green Acres Trust Loans	1,195,379		67,036	1,128,343	68,385
Capital Leases Payable	119,000		57,000	62,000	62,000
Compensated Absences Payable	<u>1,428,134</u>	<u>86,914</u>	<u>99,807</u>	<u>1,415,241</u>	
	<u>\$46,725,556</u>	<u>\$86,914</u>	<u>\$3,607,178</u>	<u>\$43,205,292</u>	<u>\$3,364,674</u>

	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>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Issued:			
General Bonds and Notes	\$42,140,000	\$43,840,000	\$46,334,000
Marina Utility Bonds	940,000	1,005,000	1,086,000
Loans Payable	<u>2,308,051</u>	<u>2,658,422</u>	<u>3,021,953</u>
Net Debt Issued	<u>45,388,051</u>	<u>47,503,422</u>	<u>50,441,953</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>682,362</u>	<u>25,450,507</u>	<u>26,502,507</u>
Total Authorized But Not Issued	<u>682,362</u>	<u>25,450,507</u>	<u>26,502,507</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes	<u>1,388,909</u>	<u>2,393,909</u>	<u>1,838,011</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$44,681,504</u>	<u>\$70,560,020</u>	<u>\$75,106,449</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 1.149% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$26,830,000	\$26,830,000	\$0
General Debt	45,130,413	1,388,909	43,741,504
Marina Utility Debt	<u>940,000</u>	<u> </u>	<u>940,000</u>
	<u>\$72,900,413</u>	<u>\$28,218,909</u>	<u>\$44,681,504</u>

Net debt of \$44,681,504 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,888,754,633 equals 1.149% for 2020.

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.

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

	<u>2020</u>	<u>2019</u>
3 ½% of equalized valuation basis (municipal)	\$136,106,412	\$137,024,561
Net Debt	<u>44,681,504</u>	<u>70,560,020</u>
Remaining borrowing power	<u>\$91,424,908</u>	<u>\$66,464,541</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	\$393,649	\$477,455
Deductions:		
Operating and Maintenance Cost	361,553	366,725
Debt Service Per Marina Utility	<u>115,000</u>	<u>60,000</u>
Total Deductions	<u>476,553</u>	<u>426,725</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>(\$82,904)</u>	<u>\$50,730</u>

The Borough's long-term debt consisted of the following at December 31, 2020.

Paid by Current Fund:

	<u>2020</u>	<u>2019</u>
New Jersey Environmental Infrastructure Loans Payable Wastewater Improvements issued 2000, 2001, 2007 and 2010, due through 2030	\$1,179,708	\$1,463,043
\$11,085,000 General Serial Bonds with interest rates of 2.00 -3.125% issued July 15, 2015, due through July 15, 2031	8,405,000	9,155,000
\$4,884,000 General Obligation Bonds with interest rates of 3.00 - 5.00% issued June 30, 2009, due through August 15, 2024		
\$7,395,000 Refunding Bonds with interest rates 2.00 - 4.00%, issued January 25, 2012, due through June 1, 2021	935,000	1,865,000
Green Acres Loan issued 2008, due through 2027	161,723	183,041
Green Acres Loan issued 2018, due through 2038	966,620	1,012,338
\$3,285,000 Refunding Bonds with interest rates of 2.00% to 4.00% issued October 31, 2016, due through August 15, 2024	3,035,000	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>26,105,000</u>	<u>27,240,000</u>
	<u>\$40,788,051</u>	<u>\$44,173,422</u>

Paid by Marina Utility Fund:

	<u>2020</u>	<u>2019</u>
<u>Marina Utility Serial Bonds:</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	\$940,000	\$1,005,000
Total Marina Utility Bonds	<u>\$940,000</u>	<u>\$1,005,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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>	
2021	\$3,070,000	\$1,220,113	\$164,289	\$20,458	\$68,385	\$22,087	\$4,565,332
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	2,470,000	761,113	176,547	10,415	74,050	16,410	3,508,535
2026-2030	13,535,000	2,361,388	328,901	16,595	316,673	60,960	16,619,517
2031-2035	9,625,000	346,838			296,200	31,603	10,299,641
2036-2038					<u>159,525</u>	<u>4,439</u>	<u>163,964</u>
	<u>\$38,480,000</u>	<u>\$7,699,591</u>	<u>\$1,179,708</u>	<u>\$94,013</u>	<u>\$1,128,343</u>	<u>\$193,386</u>	<u>\$48,775,041</u>

<u>Marina Utility Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$70,000	\$35,000	\$105,000
2022	75,000	32,100	107,100
2023	80,000	29,000	109,000
2024	85,000	25,700	110,700
2025	90,000	22,200	112,200
2026-2030	<u>540,000</u>	<u>51,800</u>	<u>591,800</u>
	<u>\$940,000</u>	<u>\$195,800</u>	<u>\$1,135,800</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, 2020 and 2019, the Borough had authorized but not issued debt as follows:

	<u>2020</u>	<u>2019</u>
General Capital Fund	\$682,362	\$25,450,507
Marina Utility Capital Fund	-0-	-0-

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 and 2019, the Borough had \$3,660,000 and \$2,325,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$-0- and \$-0-, 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, 2020 and 2019.

<u>2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Capital Notes Payable:				
Piper Sandler & Co.	\$	\$3,660,000	\$	\$3,660,000
Jefferies, LLC	<u>2,325,000</u>		<u>2,325,000</u>	<u>0</u>
	<u>\$2,325,000</u>	<u>\$3,660,000</u>	<u>\$2,325,000</u>	<u>\$3,660,000</u>
<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>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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</u> <u>Dec.31, 2020</u>	<u>2021 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year's budget</u>
Current Fund:			
Special Emergency Authorizations - N.J.S.A. 40A:4-53:			
Reassessment	\$250,000	\$50,000	\$200,000
COVID-19 Revenue Losses	1,144,575		\$1,144,575
Emergency Appropriation	<u>100,000</u>	<u>100,000</u>	<u> </u>
Total Current Fund	<u>\$1,494,575</u>	<u>\$150,000</u>	<u>\$1,344,575</u>
General Capital Fund:			
Overexpenditure of Ordinance	<u>2,827</u>	<u>2,827</u>	<u>\$ -0-</u>
Total General Capital Fund	<u>\$2,827</u>	<u>\$2,827</u>	<u>\$ -0-</u>
Marina Utility Operating Fund:			
Deficit in Operations	<u>\$26,851</u>	<u>\$26,851</u>	<u>\$ -0-</u>
Total Marina Utility Operating Fund	<u>\$26,851</u>	<u>\$26,851</u>	<u>\$ -0-</u>
	<u>Balance</u> <u>Dec.31, 2019</u>	<u>2020 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>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>
General Capital Fund:			
Overexpenditure of Ordinance	<u>\$2,827</u>	<u>\$ -0-</u>	<u>\$2,827</u>
Total General Capital Fund	<u>\$2,827</u>	<u>\$ -0-</u>	<u>\$2,827</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2020 which has been appropriated as revenue in the 2021 budget is as follows:

Current Fund	\$3,300,000
Marina Utility	186,352

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, 2020 and 2019, the Borough estimated the current cost of such unpaid compensation to approximate \$1,415,241 and \$1,428,134, respectively.

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020 and 2019, \$-0- of the Borough's bank balance of \$20,930,838 and \$20,079,478, 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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 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, 2020 and 2019 amounted to \$1,299,004 and \$1,148,221, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fixed Account Plus	\$616,983	\$581,669
Money Market I Fund	175,172	159,306
Stock Index Fund	324,659	272,291
All Others	<u>182,190</u>	<u>134,955</u>
Total	<u>\$1,299,004</u>	<u>\$1,148,221</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2020 and 2019.

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2020</u>
Land and Improvements	\$38,539,571	\$15,994	\$	\$38,555,565
Buildings and Building Improvements	11,102,862	308,311		11,411,173
Machinery and Equipment	<u>12,556,296</u>	<u>367,855</u>	<u>291,216</u>	<u>12,632,935</u>
	<u>\$62,198,729</u>	<u>\$692,160</u>	<u>\$291,216</u>	<u>\$62,599,673</u>
	Balance <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <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
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>

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2020 consist of the following:

\$21,718	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.
1,400	Due to the Current Fund from the Other Trust Fund - Fire Prevention Dedicated Penalties for dedicated payments not turned over.
43	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.
340,040	Due to the Federal and State Grant Fund from Current Fund to reimburse for grant expenditures incurred less grants received.
338,818	Due to the General Capital Fund from the Current Fund for grants received and interest earnings.
358	Due to the Marina Utility Operating Fund from the Marina Utility Capital Fund for interest earnings.
31,057	Due to the Marina Utility Operating Fund from the General Capital Fund for grant receipts received and not transferred.
<u>32,214</u>	Due to the General Capital Fund from the Bergen County CDA Trust Fund for funds received and not transferred.
<u>\$770,139</u>	

All interfunds have been liquidated during the fiscal year.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 11. CAPITAL LEASES PAYABLE

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	<u>\$62,000</u>	<u>\$917</u>	<u>\$62,917</u>

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 13. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Prepaid Taxes	<u>\$585,184</u>	<u>\$421,544</u>
Cash Liability for Taxes Collected in Advance	<u>\$585,184</u>	<u>\$421,544</u>

NOTE 14. LITIGATION

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

1. Borough of Edgewater vs. Waterside Construction et al

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

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 14. LITIGATION, (continued)

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.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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.

Total OPEB Liability

At December 31, 2020, the Borough had a liability of \$54,866,069 for its OPEB liability. The OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date. The liability is broken out as follows:

Actives	\$32,499,148
Retirees	<u>22,386,921</u>
Total	<u>\$54,866,069</u>

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

For the year ended December 31, 2020, the Borough recognized OPEB expense of \$3,127,821. At December 31, 2020, the Borough reported deferred outflows of resources of \$6,276,882 and did not report any deferred inflows of resources related to OPEB.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined based upon census, plan design and cost information provided by the Fund. Census includes 66 retirees and spouses currently receiving retiree benefits, and 101 active participants of whom 22 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 76.

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, 2019 report from Cheiron. 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, 2019 GASB 75 report from Aon Consultants.

Actuarial Assumptions

1. Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement
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	2.74% Based on the Bond Buyer 20 Index December 31, 2019 2.12% Based on the Bond Buyer 20 Index December 31, 2020

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

6. CPI Increase	2.50%	
7. Rate of Salary Increase	2.50%	
8. Medical Trend		Medical: 5.60% in 2020, reducing by 0.10% per annum, leveling at 5.00% per annum in 2026 Drug: 9.00% in 2020, reducing by 0.5% per annum to 2022 and 1.00% per annum thereafter, leveling at 5.00% per annum in 2026
9. Medical Cost Aging Factor		NJ SHBP Medical Morbidity Rates

Changes in Net OPEB Liability FYE 2020

The Net OPEB Liability as of December 31, 2020 is \$54,866,069 based upon a discount rate of 2.12% per annum and the plan provisions in effect on December 31, 2020. There are no plan assets to offset the liability.

Total GASB #75 Expense for FYE 2020

A) GASB #75 Regular Expense

Service Cost	\$ 948,685
Interest Cost	1,390,967
Recognition of Assumption Changes	<u>788,169</u>

GASB #75 Annual OPEB Expense Recognized \$3,127,821

Sensitivity of Net 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>1.12%</u>	At Current Rate <u>2.12%</u>	1% Increase <u>3.12%</u>
Borough's Total OPEB Liability	\$58,690,355	\$54,886,069	\$51,768,152

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

Sensitivity of Net OPEB Liability to Changes in Medical Inflation 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	At Current	1% Increase
	<u>1.12%</u>	<u>Rate 2.12%</u>	<u>3.12%</u>
Borough's Total OPEB Liability	\$50,373,774	\$54,886,069	\$59,754,135

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.

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

The following other post employment benefit information is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. 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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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. OTHER MATTERS

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 State of Emergency and Public Health Emergency remains in effect. 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 possible delays in the collection of real estate taxes and marina fees, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

As allowed by New Jersey Statutes, the Borough adopted a Special Emergency appropriation in 2020 in the amount of \$1,144,575 for projected loss of revenues to help mitigate the financial effects on the Borough. In addition, the Borough will continue to monitor the situation closely.

NOTE 18. SUBSEQUENT EVENTS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Edgewater is \$1,312,775 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

The Borough has evaluated subsequent events through August 24, 2021, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF EDGEWATER

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Michael McPartland	Mayor		
Vincent Monte	Council President		
Anthony Bartolomeo	Councilman		
Michael Henwood	Councilman		
Luis Vidal	Councilman		
Donald A. Martin	Councilman		
Dolores Lawlor	Councilwoman		
Gregory Franz	Administrator/Acting CFO		
Neglia Engineering	Engineer		
John Candelmo	Construction Code Official/Zoning Officer		
Robert Cohan	Magistrate	\$ 1,000,000	(A)
Jennie E. Vargas	Interim Court Administrator	\$ 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

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax rate	1.945	1.896	1.820
Apportionment of tax rate:			
Local school	0.789	0.754	0.722
County	0.340	0.337	0.311
Municipal	0.771	0.758	0.745
Library	0.045	0.047	0.042

Assessed valuation:

2020	\$ 2,964,012,792
2019	2,967,912,317
2018	2,949,427,259

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>
2020	\$ 58,116,660	55,724,389	95.88%
2019	56,348,278	54,553,370	96.81%
2018	54,167,902	52,152,459	96.28%

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>
2020	\$ 90,592	2,016,702	2,107,294	3.63%
2019	84,212	1,722,694	1,806,906	3.21%
2018	358,683	1,728,534	2,087,217	3.85%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2020 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, 2020, 2019 and 2018 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2020	\$	3,844,775
2019		3,844,775
2018		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, 2020	6,510,527	3,300,000
	Dec. 31, 2019	7,027,479	3,800,000
	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
Marina Utility:	Dec. 31, 2020	805,301	186,352
	Dec. 31, 2019	830,301	25,000
	Dec. 31, 2018	688,797	
	Dec. 31, 2017	602,949	
	Dec. 31, 2016	500,862	

BOROUGH OF EDGEWATER

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	From	To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Federal and State Grant Fund:									
<u>Department of Housing and Urban Development (passed through County of Bergen):</u>									
Community Development Block Grant	14.218	B-17-UC-34-0100		N/A	N/A	17,000			8,559
Handicapped Accessible Doors at Borough Hall									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>U.S. Department of Transportation (Passed Through NJ DOT):</u>									
Impaired Driving Countermeasure	20.601	18X9204100NJ		1/1/2019	12/31/2019	4,400			
<u>National Priority Safety Program (Distracted Driving)</u>									
National Priority Safety Program (DDEF)	20.616	18X920405ENJ17		1/1/2019	12/31/2019	5,500			
	20.616	69A3751930000405DNJL	066-1160-100-157	1/1/2017	12/31/2017	5,500			
<u>U.S. Department of Homeland Security</u>									
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>Federal Emergency Management Assistance (FEMA)</u>									
	97.042			1/1/2020	12/31/2020	27,115	27,115	27,115	27,115
							27,115	27,115	27,115
<u>U.S. Department of Justice</u>									
Equitable Sharing - Asset Forfeiture Program	16.922			1/1/2013	12/31/2013	5,160			3,221
									3,221
<u>Flow through the County of Bergen</u>									
CARES Act	21.019	S425D200027		1/1/2020	12/31/2020	83,794	83,794	83,794	83,794
							83,794	83,794	83,794
Subtotal Federal and State Grant Fund						110,909	110,909	110,909	365,574

BOROUGH OF EDGEWATER

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

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
General Capital Funds:									
Department of Housing and Urban Development (passed through County of Bergen):									
Community Development Block Grant	14.218	B-17-UC-34-0100	21-213-745-155-43-66	N/A	N/A	76,180			67,177
Handicapped Accessible Curb Ramps - Ord. 1517									67,177
U.S. Department of Homeland Security									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
4021 Public Assistance - Hurricane Irene	97.036	4021DRNJFP0000001		N/A	N/A	217,808			217,808
PA-02-NJ-4021-PW-01332 - Ord. 1484									217,808
Subtotal General Capital Fund									
Marina Utility Capital Funds:									
U.S. Department of Homeland Security (1)									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
PA-02-NJ-1897-PW-01289 - Ord. 1467	97.036	4021DRNJFP0000001		N/A	N/A	742,996		20,965	542,587
Subtotal Marina Utility Capital Fund									
Total Federal Awards - All Funds									
						\$ 110,909		131,874	1,193,146

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, 2020

State Funding Department	State Grant Account #	From	Grant Period	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
			To				
Federal and State Grant Funds:							
Department of Environmental Protection							
Clean Communities Program	4900-765-042-4900-004-V42Y	1/1/2020	12/31/2020	20,507 \$	20,507	16,367	16,367
	4900-765-042-4900-004-V42Y	1/1/2019	12/31/2019	22,740			
	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	20,507	1,125	1,125
					20,507	17,492	17,492
Solid Waste Administration							
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	1/1/2019	12/31/2019	19,882			
	4900-752-042-4900-001-V42Y	1/1/2018	12/31/2018	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			250
Administrative Office of the Courts							
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100	1/1/2020	12/31/2020	2,120	834		
	9735-760-098-Y900-001-X100	1/1/2019	12/31/2019	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	834		1,355
Department of Law & Public Safety							
Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2019	12/31/2019	3,018	3,018		
	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	1/1/2008	12/31/2009	3,108	3,018		
Department of State (passed through County of Bergen)							
Census Grant	DOS2020C3-NP	1/1/2020	12/31/2020	2,810	2,810	2,810	2,810
					2,810	2,810	2,810

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2020

State Funding Department	State Grant Account #	From	Grant Period	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
			To				
Federal and State Grant Funds:							
Department of Treasury (passed through County of Bergen)							
Municipal Alliance on Alcoholism and Drug Abuse	100-082-2000-044-995120	7/1/2019	6/30/2020	9,876			
	100-082-2000-044-995120	7/1/2018	6/30/2019	9,876		1,320	1,320
	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			
	100-082-2000-044-995120	1/1/2013	12/31/2013	9,692			1,278
	100-082-2000-044-995120	1/1/2012	12/31/2012	20,868		1,320	14,506
							17,104
Subtotal Federal and State Grant Fund					27,169	21,622	39,011
General Capital Fund:							
Department of Transportation - State Aid Highway Projects							
Highway Planning and Construction							
Undercliff Avenue, Section III - Ord. 1550				155,500			145,730
Undercliff Avenue, Section IV - Ord. 1550				165,627			165,627
Winterburn Place - Ord. 2020-08				207,000			
Undercliff Avenue - Ord. 2020-08				186,000			
				19,895			
				226,895			311,557
Subtotal General Capital Fund					226,895		311,557
Total State Financial Assistance - All Funds					254,064	21,622	350,368
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
Firehouse Subs Public Safety Foundation, Inc.							
Firehouse Improvements (Radio Equipment)		N/A	N/A	22,280			
Total Other Financial Assistance							52,474
Total State and Other Financial Assistance					\$ 254,064	21,622	402,842

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

BOROUGH OF EDGEWATER
Schedule of Cash - Collector/Treasurer

Current Fund

Year ended December 31, 2020

		<u>Current Fund</u>
Balance - December 31, 2019	\$	10,838,028
Increased by Receipts:		
Revenue Accounts Receivable	\$ 3,803,957	
Miscellaneous Revenues Not Anticipated	652,655	
Taxes Receivable	57,042,414	
Prepaid Taxes	585,184	
Tax Overpayments	296,854	
Senior Citizens and Veterans	11,730	
Tax Title Lien Premiums	27,600	
Interfunds	339,826	
Marriage License Fees Payable	1,975	
Special Emergency Notes Issued	<u>250,000</u>	
		<u>63,012,195</u>
		73,850,223
Decreased by Disbursements:		
2020 Budget Appropriations	27,392,682	
2019 Appropriation Reserves	1,140,133	
Tax Overpayment Refunds	128,317	
Local District School Tax	23,311,376	
County Taxes	10,074,239	
County Added/Omitted	13,617	
Marriage License Fees Payable	1,775	
Tax Title Lien Premiums Redeemed	227,800	
Refunds	263,168	
Interfunds	<u>105,983</u>	
		<u>62,659,090</u>
Balance - December 31, 2020	\$	<u><u>11,191,133</u></u>

BOROUGH OF EDGEWATER

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2020

Year	Balance, Dec. 31, 2019	2020 Levy	Added 2019 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Senior Cancelled	Balance, Dec. 31, 2020
				2019	2020				
2019	1,722,694		64,603		1,752,819				34,478
2020		57,650,059	466,601	421,544	55,289,595	13,250	6,380	403,667	1,982,224
	\$ 1,722,694	57,650,059	531,204	421,544	57,042,414	13,250	6,380	403,667	2,016,702

Analysis of 2020 Tax Levy

Tax Yield:	
General Property Tax	57,650,059
Added Tax (R.S.54:4-63.1 et seq.)	466,601
	\$ 58,116,660
Tax Levy:	
Local District School Tax	\$ 23,385,226
County Tax	\$ 10,074,239
County Added and Omitted Taxes	81,700
	10,155,939
	33,541,165
Local Tax for Municipal Purpose	24,178,220
Additional Taxes	397,275
	24,575,495
	\$ 58,116,660

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$	84,212
Increased by:		
Transferred from 2020 Taxes		<u>6,380</u>
Balance - December 31, 2020	\$	<u><u>90,592</u></u>

BOROUGH OF EDGEWATER
Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Accrued in 2020	<u>Collected</u>	Balance, Dec. 31, <u>2020</u>
Clerk:				
Licenses:				
Other	\$	57,126	57,126	
Fees and Permits		299,999	299,999	
Construction Code Official-Fees and Permits	85,515	596,423	515,710	166,228
Municipal Court Fines and Costs	12,498	66,433	72,796	6,135
Interest and Cost on Taxes		424,279	424,279	
Interest on Investments		15,240	15,240	
Consolidated Municipal Property Tax Relief		62,212	62,212	
Energy Receipts Tax		688,519	688,519	
Uniform Fire Safety		36,161	36,161	
Commercial Sewer Fees	66,616	307,106	324,783	48,939
General Capital Fund Balance		500,000	500,000	
Hotel Tax		263,763	263,763	
Pilot Payments - Waterford Towers		561,502	561,502	
	<u>\$ 164,629</u>	<u>3,878,763</u>	<u>3,822,090</u>	<u>221,302</u>
		Interfunds	18,133	
		Cash	<u>3,803,957</u>	
			<u>\$ 3,822,090</u>	

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

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$	34,698
Increased by:		
Senior Citizens' and Veterans' Deductions per Tax Billings		13,250
		47,948
Decreased by:		
Cash Received		11,730
Balance - December 31, 2020	\$	36,218

Schedule of Local District School Tax Payable / (Receivable)

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$	(2,984)
Increased by:		
2020 Tax Levy		23,385,226
		23,382,242
Decreased by:		
Cash Disbursements		23,311,376
Balance - December 31, 2020	\$	70,866

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2020

Increased by:		
County Tax Levy	\$	<u>10,074,239</u>
Decreased by:		
Cash Disbursements	\$	<u><u>10,074,239</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	13,617
Increased by:		
Added and Omitted Taxes		<u>81,700</u>
		95,317
Decreased by:		
Cash Disbursements		<u>13,617</u>
Balance - December 31, 2020	\$	<u><u>81,700</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 11,639	639		639
Elections	2,288	2,288		2,288
Collection of Taxes	39	39		39
Assessment of Taxes	3	3		3
Municipal Court	17,154	17,154		17,154
Planning Board	466	466		466
Zoning Board	66	66		66
Rent Leveling	616	616		616
Fire	10,907	10,907		10,907
Volunteer First Aid	1	1		1
Police	30,247	247		247
Emergency Management Services	1,000	1,000		1,000
Road Repairs and Maintenance	19,124	15,407		15,407
Board of Health	2,197	2,197		2,197
Recreation	54,001	54,001		54,001
Recycling Program	1,907	1,907		1,907
Uniform Construction Code	6,992	6,992		6,992
Salary and Wage Adjustment	4,975	4,975		4,975
Total Salaries and Wages Within "CAPS"	<u>163,622</u>	<u>118,905</u>		<u>118,905</u>
Other Expenses Within "CAPS":				
Administrative and Executive	32,097	35,388	15,588	19,800
Elections	1,889	6,125	6,124	1
Financial Administration		1,892	1,457	435
Financial Administration - Audit	435	850		850
Collection of Taxes	132	219	213	6
Assessment of Taxes:				
Consultant and Legal Fees - Tax Appeals	42,455	5,395	2,940	2,455
Miscellaneous Other Expenses	7,347	7,797	450	7,347
Municipal Court	9,397	11,839	2,705	9,134
Legal Services	152,450	469,556	468,470	1,086
Insurance - Hospitalization	282,411	283,189	283,182	7
Insurance - Other	8,837	837		837
Public Buildings and Grounds	7,739	23,950	23,791	159
Engineering	660	7,360	7,352	8
Planning Board	2,171	4,621	4,387	234
Zoning Board	13,116	2,187	2,045	142
Rent Leveling	7,957	1,257		1,257
Housing Inspector	575	575		575

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police	2,487	22,299	16,352	5,947
Police- Automobiles	22,316	52,074	20,493	31,581
Emergency Management	2,684	2,684		2,684
Fire	2,666	26,809	8,323	18,486
Fire Hydrant Service	10,881	881		881
Volunteer First Aid	48,509	18,896	12,313	6,583
Fire Prevention	3,578	8,296	4,726	3,570
Road Repairs and Maintenance	18,618	47,934	41,744	6,190
Snow Removal	50,594	58,776	8,601	50,175
Board of Health	66,109	69,077	1,960	67,117
Dog regulation	774	774		774
Occupational Safety Health Act	1,017	2,000	996	1,004
Public Assistance- Emergency Assistance	1,500	1,500		1,500
Parks and Playgrounds	36,114	41,660	3,792	37,868
Recreation	3,942	28,159	25,426	2,733
Celebration of Public Events	2,828	2,828		2,828
Senior Citizens Committee	471	2,681	2,681	
Garbage and Trash Removal	45,635	94,429	94,377	52
Uniform Construction Code	22,514	2,815	2,799	16
Gas and Electric	123,166	102,466	26,136	76,330
Street Lighting	36,395	36,395	17,352	19,043
Telephone	29,908	32,759	12,070	20,689
Water	5,375	5,374		5,374
Fuel	28,702	36,395	20,002	16,393
Pilots - Bergen County	11,810	11,810		11,810
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>1,153,261</u>	<u>1,577,808</u>	<u>1,138,847</u>	<u>438,961</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	13,801	13,801	1,237	12,564
Consolidated Police & Firemen's Fund	10,000	10,000		10,000
Unemployment Insurance	4,500	4,502		4,502
Public Employee's Retirement System	10,084	10,084	49	10,035
Police and Firemens Retirement System	31	31		31
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>38,416</u>	<u>38,418</u>	<u>1,286</u>	<u>37,132</u>
Total Reserves Within "CAPS"	<u>1,355,299</u>	<u>1,735,131</u>	<u>1,140,133</u>	<u>594,998</u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
LOSAP	14,950	14,950		14,950
Bergen County Utilities Authority - Share of Costs	668	668		668
Maintenance of Free Public Library	<u>126,062</u>	<u>126,062</u>	126,062	
Total Other Expenses Excluded from "CAPS"	<u>141,680</u>	<u>141,680</u>	<u>126,062</u>	<u>15,618</u>
Total Reserves Excluded from "CAPS"	<u>141,680</u>	<u>141,680</u>	126,062	<u>15,618</u>
Total Reserves	<u>\$ 1,496,979</u>	<u>1,876,811</u>	<u>1,266,195</u>	<u>610,616</u>
		Appropriation Reserves 1,496,979		
		Encumbrances <u>379,832</u>		
		<u>\$ 1,876,811</u>		
		Cash Disbursements 1,140,133		
		Transferred to Amount due to Library <u>126,062</u>		
			<u>\$ 1,266,195</u>	

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	379,832
Increased by:		
Encumbrances		778,721
		1,158,553
Decreased by:		
Transferred to Appropriation Reserves		379,832
Balance - December 31, 2020	\$	778,721

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	2,436
Increased by:		
Budget Appropriations	\$	200,000
Overpayments Received		296,854
		496,854
		499,290
Decreased by:		
Transfer to Reserve for Tax Appeals	\$	125,485
Overpayments Refunded		128,317
		253,802
Balance - December 31, 2020	\$	245,488

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 421,544
Increased by:	
Prepaid Taxes Collected	<u>585,184</u>
	1,006,728
Decreased by:	
Taxes Realized as Revenue	<u>421,544</u>
Balance - December 31, 2020	<u><u>\$ 585,184</u></u>

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

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 275
Increased by:	
Cash Receipts	<u>1,975</u>
	2,250
Decreased by:	
Cash Disbursements	<u>1,775</u>
Balance - December 31, 2020	<u><u>\$ 475</u></u>
4th Quarter 2020	<u><u>\$ 475</u></u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>3,844,775</u>
Balance - December 31, 2020	\$ <u><u>3,844,775</u></u>

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

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 458,100
Increased by:	
Premiums Collected	<u>27,600</u>
	485,700
Decreased by:	
Refunded	<u>227,800</u>
Balance - December 31, 2020	\$ <u><u>257,900</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Escrow Trust Fund	\$ 38	5		43
Other Trust Fund	19,359	2,359		21,718
Other Trust Fund - Fire Prevention Dedicated Penalties			1,400	(1,400)
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
Federal and State Grant Fund	(332,023)	105,985	114,001	(340,039)
General Capital Fund	<u>(111,614)</u>	<u>10,666</u>	<u>237,870</u>	<u>(338,818)</u>
	<u>\$ (421,231)</u>	<u>119,015</u>	<u>353,271</u>	<u>(655,487)</u>
<u>Analysis</u>				
Due to Current Fund	\$ 23,147	2,364		25,511
Due From Current Fund	<u>(444,378)</u>	<u>116,651</u>	<u>353,271</u>	<u>(680,998)</u>
	<u>\$ (421,231)</u>	<u>119,015</u>	<u>353,271</u>	<u>(655,487)</u>
Interest on Investments		\$ 13,032	9,338	
NJ DOT Grants			226,895	
Reimbursement for Expenses Paid			1,638	
Grant Match			2,469	
Cash Receipts			112,931	
Cash Disbursements		<u>105,983</u>		
		<u>\$ 119,015</u>	<u>353,271</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2020

	Balance Dec. 31, <u>2019</u>	<u>Increased</u>	Balance Dec. 31, <u>2020</u>
Reserve for:			
Binghamton Ferryboat Removal	\$ 100,000		100,000
Playgrounds	2,481		2,481
Due to Library	644,414	126,062	770,476
Tax Appeals	88,240	125,485	213,725
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>\$ 1,006,600</u>	<u>251,547</u>	<u>1,258,147</u>

Transfer from Appropriation Reserves	\$ 126,062
Transfer from Tax Overpayments	<u>125,485</u>
	<u>\$ 251,547</u>

BOROUGH OF EDGEWATER

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>21,937</u>
Balance - December 31, 2020	\$ <u><u>21,937</u></u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2020

<u>Date</u>	<u>Purpose</u>	<u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2019</u>	<u>Authorized</u> <u>in 2020</u>	<u>Reduced</u> <u>in 2020</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2020</u>
11/12/2019	Legal Fees - Other Expenses	\$ 400,000	400,000		400,000	100,000
9/14/2020	Sewer - Other Expenses			100,000		
		<u>\$ 400,000</u>	<u>400,000</u>	<u>100,000</u>	<u>400,000</u>	<u>100,000</u>

BOROUGH OF EDGEWATER

**Schedule of Deferred Charges - N.J.S.A. 40A:4-53
Special Emergency Authorizations**

Current Fund

Year ended December 31, 2020

<u>Date</u>	<u>Improvement</u> <u>Description</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Issued</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2020</u>
July 20, 2020	Ord. 2020-04: Reassessment of Real Property	7/20/20	50,000	\$ 250,000	250,000
November 16, 2020	COVID-19 Revenue Losses	11/16/20	228,915	1,144,575	1,144,575
				<u>\$ 1,394,575</u>	<u>1,394,575</u>

BOROUGH OF EDGEWATER

Schedule of Special Emergency Notes

Current Fund

Year ended December 31, 2020

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance, Dec. 31, 2020</u>
Reassessment of Real Property	Sept., 22, 2020	July 16, 2021	0.70%	\$ 250,000	250,000
				\$ 250,000	250,000

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2020

<u>Purpose</u>	Balance, Dec. 31, <u>2019</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2020</u>
Municipal Alliance - 2013	\$ 9,692			9,692
Municipal Alliance - 2019	9,498			9,498
Municipal Alliance - 2020		9,876		9,876
Alcohol Education and Rehabilitation - 2019		1,286	1,286	
Clean Communities - 2019		22,740	22,740	
Clean Communities - 2020		20,507	20,507	
FEMA - 2020		27,115	27,115	
Bergen County Census Grant - 2020		2,810	2,810	
CARES Act - 2020		57,248	57,248	
Port Security - 2016	35,650			35,650
CDBG	17,000			17,000
Recycling Tonnage - 2018		17,508	17,508	
Recycling Tonnage - 2019		19,882	19,882	
	<u>\$ 71,840</u>	<u>178,972</u>	<u>169,096</u>	<u>81,716</u>
		Budget 71,292		
		Appropriations by 40a:4-87 <u>107,680</u>		
		\$ <u>178,972</u>		
		Interfunds 107,680		
		Unappropriated Grant Reserves <u>61,416</u>		
			<u>\$ 169,096</u>	

BOROUGH OF EDGEWATER
Schedule of Due from/(to) Current Fund
Federal and State Grant Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	332,023
Increased by:		
Grants Receivable	\$	107,680
Match		2,469
Unappropriated Grants		<u>3,852</u>
		<u>114,001</u>
		446,024
Decreased by:		
Appropriated Grant Reserves		<u>105,985</u>
Balance - December 31, 2020	\$	<u><u>340,039</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2020

<u>Purpose</u>	<u>Balance, Dec. 31, 2019</u>	<u>Transferred from Budget Appropriations</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2020</u>
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		1,125	6,565
Clean Communities - 2018	11,097			11,097
Clean Communities - 2019		22,740	16,367	6,373
Clean Communities - 2020		20,507		20,507
Municipal Alliance - 2013	714			714
Municipal Alliance - 2014	8,414			8,414
Municipal Alliance - 2019	6,599		1,320	5,279
Municipal Alliance - 2020		9,876		9,876
Municipal Alliance - 2020 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
Alcohol Education and Rehabilitation - 2019		1,286		1,286
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
Recycling Tonnage Grant - 2018		17,508		17,508
Recycling Tonnage Grant - 2019		19,882		19,882
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	5,500			5,500
FEMA - 2020		27,115	27,115	
Bergen County Census Grant - 2020		2,810	2,810	
CARES Act - 2020		57,248	57,248	
	<u>\$ 268,412</u>	<u>181,441</u>	<u>105,985</u>	<u>343,868</u>
		Budget 71,292		
		Match 2,469		
Appropriations by 40a:4-87		<u>107,679</u>		
		<u>\$ 181,440</u>		
		Interfunds \$	<u>105,985</u>	

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2020

<u>Purpose</u>	Balance, Dec. 31, 2019	<u>Received</u>	Appropriated in 2020 <u>Budget</u>	Balance, Dec. 31, 2020
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 - 2020		834		834
Body Armor Grant - 2019		3,018		3,018
Alcohol Education and Rehabilitation Fund - 2019	1,286		1,286	
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>\$ 135,451</u>	<u>3,852</u>	<u>61,416</u>	<u>77,887</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2020

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2019	\$ 100	168,439	773,462	1,148,221
Increased by:				
Animal License Fees	3,922			
Due to State of New Jersey - Dog License Fees	601			
Various Reserves			46,590	
Escrow Deposits		112,395		
Interfunds		5	2,359	
Borough Contributions				73,600
Investment Income				90,700
	<u>4,523</u>	<u>112,400</u>	<u>48,949</u>	<u>164,300</u>
	<u>4,623</u>	<u>280,839</u>	<u>822,411</u>	<u>1,312,521</u>
Decreased by:				
Animal License Expenditures	3,921			
Due to State of New Jersey	601			
Escrow Expenditures		77,914		
Various Reserves			27,500	
Distributions				13,517
	<u>4,522</u>	<u>77,914</u>	<u>27,500</u>	<u>13,517</u>
Balance -December 31, 2020	\$ <u>101</u>	<u>202,925</u>	<u>794,911</u>	<u>1,299,004</u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2020

Balance - December 31, 2019		\$	95
Increased by:			
Dog license fees	\$	3,221	
Cat license fees		631	
Postage/Late fees		<u>70</u>	
			<u>3,922</u>
			4,017
Decreased by:			
Cash Disbursements			<u>3,921</u>
Balance - December 31, 2020		\$	<u><u>96</u></u>

<u>License Fees Collected</u>		
	2018	4,358
	2019	<u>4,279</u>
	\$	<u><u>8,637</u></u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2020

Balance - December 31, 2019	\$	5
Increased by:		
2020 Fees Collected		<u>601</u>
		606
Decreased by:		
Payments to State of New Jersey		<u>601</u>
Balance - December 31, 2020	\$	<u><u>5</u></u>

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2020

Balance - December 31, 2019	\$	168,401
Increased by:		
Escrow Deposits		<u>112,395</u>
		280,796
Decreased by:		
Cash Disbursements		<u>77,914</u>
Balance - December 31, 2020	\$	<u><u>202,882</u></u>

BOROUGH OF EDGEWATER
Schedule of Interfunds Receivable/(Payable)
Trust Funds

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2020</u>
Other Trust Fund:				
Current Fund				
Fire Prevention Dedicated Penalties	\$	1,400		1,400
POAA	52			52
Other Trust Fund	(19,359)		2,359	(21,718)
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>(38)</u>		<u>5</u>	<u>(43)</u>
	<u>\$ (54,620)</u>	<u>1,400</u>	<u>2,364</u>	<u>(55,584)</u>
Due to Trust Funds	741	1,400		2,141
Due from Trust Funds	<u>(55,361)</u>		<u>2,364</u>	<u>(57,725)</u>
	<u>\$ (54,620)</u>	<u>1,400</u>	<u>2,364</u>	<u>(55,584)</u>
Interest on Investments	\$		2,364	
Dedicated Penalties deposited into Current Fund		<u>1,400</u>		
		<u>\$ 1,400</u>	<u>2,364</u>	

BOROUGH OF EDGEWATER

Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2020</u>
Reserve for:				
Cemetery Bequests	\$ 16,937	2		16,939
Bullet Proof Vests	13,604	3,458		17,062
Ferry Performance Security	195,447			195,447
Fire Prevention	2,259	3,177		5,436
Cultural and Historical Society	1,152			1,152
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	69,343	154	6,423	63,074
Recycling Fees - Other Trust	19,000			19,000
Recycling Fees	16,197	9,263	4,940	20,520
Bergen County CDA Trust	102			102
Flexible Spending Trust	23,902	28,387	16,137	36,152
Municipal Alliance Trust	8,292	82		8,374
POAA	12,835	162		12,997
Shade Tree	4,504	3,305		7,809
Police Confiscated	3,109			3,109
	<u>\$ 718,880</u>	<u>47,990</u>	<u>27,500</u>	<u>739,370</u>
		Interfunds 1,400		
		Cash Receipts 46,590		
		Cash Disbursements	27,500	
		<u>\$ 47,990</u>	<u>27,500</u>	

BOROUGH OF EDGEWATER
Statement of Service Award Contributions Receivable
Emergency Services Length of Service Award Program
Year ended December 31, 2020

Balance - December 31, 2019	\$	73,600
Increased by:		
2020 Borough Contribution		<u>78,200</u>
		151,800
Decreased by:		
2019 Borough Contribution Received		<u>73,600</u>
Balance - December 31, 2020	\$	<u><u>78,200</u></u>

Statement of Net Assets Available for Benefits
Emergency Services Length of Service Award Program
Year ended December 31, 2020

Balance - December 31, 2019	\$	1,221,821
Increased by:		
Borough Contributions	\$	78,200
Investment Income		<u>90,700</u>
		<u>168,900</u>
		1,390,721
Decreased by:		
Distributions		<u>13,517</u>
Balance - December 31, 2020	\$	<u><u>1,377,204</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019		\$	5,708,694
Increased by Receipts:			
Capital Improvement Fund	\$	200,000	
Reserve for Green Acres		2,663	
Interfunds		1,127,723	
Voided Check		260	
Note Sale Proceeds		3,660,000	
Premium on Sale of Notes		37,185	
			<u>5,027,831</u>
			10,736,525
Decreased by Disbursements:			
Improvement Authorizations		908,926	
Bond Anticipation Notes		2,325,000	
Fund Balance - Budget Revenue Realized		500,000	
Interfunds		42,140	
			<u>3,776,066</u>
Balance - December 31, 2020		\$	<u><u>6,960,459</u></u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2020

Grants Receivable -	
Community Development Block Grant	\$ (72,907)
New Jersey Department of Transportation	(346,497)
Federal Emergency Management Agency	(7,336)
Interfunds Receivable	(371,032)
Over-Expenditure of Ordinance Appropriation	(2,827)
Interfunds Payable	31,057
Capital Improvement Fund	1,866,966
Reserve for Green Acres	17,316
Reserve for Payment of Debt	1,388,909
Unappropriated State Grant	79,408
Reserve for Grants Receivable	239,012
Fund Balance	860,508

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1357	Acquisition of Municipal Complex/Police Station	(252,613)
1460	Imps. to the DPW and Community Center Parking Lots	14,126
1474/1514/1519		
/1534	Improvements to Veteran's Field	1,123,489
1517	Improvements to Undercliff Avenue	24,841
1525	Acquisition of Fire Truck	2,801
1538/1561/		
2018-14	Historic Borough Hall Improvements, Phase III	105,860
1544	Imps. To Old River Road - Phase III	7,233
1550/2018-3	Various Acquisitions and Improvements	655,351
2018-15/ 2019-		
10/2020-09	Various Acquisitions and Improvements	210,366
2019-11	Acquisition of Property	3,628
2019-12	Historic Borough Hall Improvements, Phase IV	908,674
2020-07	911 System	249,500
2020-08	2020 Road Restoration Project	224,625
		<u>\$ 6,960,459</u>

BOROUGH OF EDGEWATER
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019		\$	44,292,421
Decreased by:			
Infrastructure Loan Payments	\$	283,335	
Green Trust Loan Payments		67,036	
Capital Lease Payments		57,000	
Budget Appropriation to Pay Serial Bonds		3,035,000	
			3,442,371
Balance - December 31, 2020		\$	40,850,050

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Balance, Dec. 31, 2019	2020 Authorizations	Decreased	Authorizations Canceled	Balance, Dec. 31, 2020	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613				252,613		252,613	
1460	Imps. to DPW and Community Center Parking Lots	161,500				161,500	62,000		99,500
1474/1514	Improvements to Veteran's Field	510				510			510
1534	Imps. To Veteran's Field - Amend 1474/1514/1519	2,726				2,726			2,726
1538/1561/2018-14	Historic Borough Hall Improvements - Phase III	247,081				247,081	247,000		81
1547	Acquisition of Property - 615 River Road	23,750,000			23,750,000				
2018-15/2019-10/2020-09	Various Acquisitions and Improvements	1,266,327				1,266,327	1,257,900		8,427
2019-11	Various Acquisitions and Improvements	954,750	118,750			1,073,500	953,100		120,400
2019-12	Acquisition of Property	190,000				190,000	190,000		
2020-08	Historic Borough Hall Improvements - Phase IV	950,000				950,000	950,000		
	2020 Road Restoration Project		423,000	226,895		198,105			198,105
		\$ 27,775,507	543,750	226,895	23,750,000	4,342,362	3,660,000	252,613	429,749
	2020 Improvement Authorizations \$		543,750						

BOROUGH OF EDGEWATER
Schedule of Deferred Charges to
Future Taxation - Unfunded
General Capital Fund
Year ended December 31, 2020

Ordinance Number	Improvement Description	Balance, Dec. 31, 2019	2020 Authorizations	Decreased	Authorizations Canceled	Balance, Dec. 31, 2020	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
									2,552,379
							Improvement Authorizations - Unfunded \$		
							Less: Unexpended Proceeds of		
							Bond Anticipation Notes		
							Ord. 1460	14,126	
							Ord. 1538/1561/2018-14	105,861	
							Ord. 1550/2018-3	655,351	
							Ord. 2018-15/2019-10/2020-09	210,366	
							Ord. 2019-11	3,628	
							Ord. 2019-12	908,674	
							Ord. 2020-08	224,624	
									<u>2,122,650</u>
									<u>\$ 429,749</u>
									<u>226,895</u>
							Unappropriated Grants Received \$		

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	180,392
Increased by:		
Unappropriated Grant Awards		393,000
		573,392
Decreased by:		
Interfunds		226,895
Balance - December 31, 2020	\$	346,497

<u>Analysis of Balance</u>		
Ord. 1550 - Undercliff Avenue - Section 3		14,765
Ord. 1550 - Undercliff Avenue - Section 4		165,627
Ord. 2020-08 - Undercliff Avenue		166,105
	\$	346,497

Schedule of Amount Due from the
Federal Emergency Management Agency - Ord. 1484
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	7,336
Balance - December 31, 2020	\$	7,336

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019 \$ 72,907

Balance - December 31, 2020 \$ 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, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ 111,614	237,870	10,666	338,818
Marina Utility Capital Fund	1,086,000		1,086,000	
Marina Utility Operating Fund	(31,165)	31,165	31,057	(31,057)
Other Trust Fund	32,214			32,214
	<u>\$ 1,198,663</u>	<u>269,035</u>	<u>1,127,723</u>	<u>339,975</u>
Due to General Capital Fund	1,229,828	237,870	1,096,666	371,032
Due from General Capital Fund	(31,165)	31,165	31,057	(31,057)
	<u>\$ 1,198,663</u>	<u>269,035</u>	<u>1,127,723</u>	<u>339,975</u>
			Cash Receipts \$ 1,086,000	
		Cash Disbursements 31,165		
		Interest on Investments 9,337	10,666	
		Grants Receivable 226,895		
		Port Security Grant Receipts	31,057	
		Bank Service Charge 1,638		
		<u>\$ 269,035</u>	<u>1,127,723</u>	

BOROUGH OF EDGEWATER

Schedule of Overexpenditure of Ordinance Appropriation

General Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>2,827</u>
Balance - December 31, 2020	\$ <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, 2020

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	890,000				66,414	66,414	
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	881,496				44,697	44,697	
Wastewater Improvements	Nov. 8, 2001	125,000	Aug. 1, 2021	4,763	4.75%	14,287	9,524	4,763
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	615,000	Aug. 1, 2021	31,000	5.00%	286,000	30,000	256,000
			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, 2020

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	1,736,481	Feb. 1, 2021	12,061		600,984	90,578	510,406
			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, 2021	9,000	3.00%	100,000	10,000	90,000
			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%				
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	521,250	Feb. 1, 2021	8,835		265,043	26,504	238,539

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2019</u>	<u>Balance, Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>			
	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, 2020

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
Sanitary Sewer Repairs (Ord. 1420)	Dec. 2, 2010	245,000	Aug. 1, 2021	5,000	5.00%	85,000	5,000	80,000
			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				618	618	
						<u>\$ 1,463,043</u>	<u>283,335</u>	<u>1,179,708</u>

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2019	Balance, Dec. 31, 2020
			Date	Amount			
2008 Veterans Field Improvements	Sept 14, 2008	400,000	Mar. 14, 2021	10,819	2.00%	183,041	161,723
			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%		

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2020

<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, 2019</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2018 Veterans Field Improvements (A)	July 9, 2018	315,500	Apr. 9, 2021	6,925	2.00%	302,125	13,644	288,481
			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%				
		Apr. 9, 2035	9,149	2.00%				
		Oct. 9, 2035	9,241	2.00%				

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
2018 Veterans Field Improvements (B)	July 9, 2018	741,655	Apr. 9, 2021	16,278	2.00%	710,213	32,074	678,139
			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%				
		Oct. 9, 2030	19,665	2.00%				
		Apr. 9, 2031	19,862	2.00%				
		Oct. 9, 2031	20,061	2.00%				
		Apr. 9, 2032	20,261	2.00%				

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
			Date	Amount					
General Obligation Refunding Bonds	Jan. 25, 2012	7,395,000	Jun. 1, 2021	935,000	4.000%	\$ 1,865,000	930,000	935,000	
General Obligation Bonds	Jul. 15, 2015	11,085,000	Jul. 15, 2021	770,000	2.000%	9,155,000	750,000	8,405,000	
			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%				
			Jul. 15, 2030	770,000	3.000%				
		Jul. 15, 2031	770,000	3.125%					
General Obligation Refunding Bonds	Oct. 31, 2016	3,285,000	Aug. 15, 2021	230,000	3.000%	3,255,000	220,000	3,035,000	
			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, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
			Date	Amount					
General Obligation Bonds	July 9, 2019	27,240,000	Feb. 15, 2021	1,135,000	4.000%	27,240,000		1,135,000	26,105,000
			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%				
						\$ 41,515,000		3,035,000	38,480,000
								Paid via Budget Appropriation \$ 3,035,000	

BOROUGH OF EDGEWATER
Schedule of Capital Leases Payable
General Capital Fund
Year ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Lease Payments Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding of 2003 Issuance	May 1, 2012	385,000	Mar. 15, 2021	62,000	2.959%	119,000	57,000	62,000
						\$ 119,000	57,000	62,000

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2019	Increased		Decreased		Balance, Dec. 31, 2020
							by	by	by	by	
1460	Improvements to the DPW and Community Center Parking Lots	July 16, 2020	July 16, 2020	July 16, 2021	1.50%		62,000				62,000
1561	Historic Borough Hall Improvements - Phase III	July 18, 2019	July 16, 2020	July 16, 2021	1.50%	95,000	95,000				95,000
2018-3	Various Acquisitions and Improvements (Amend Ord. 1550)	July 18, 2019	July 16, 2020	July 16, 2021	1.50%	1,257,900	1,257,900				1,257,900
2018-14	Amend 1538/1561: Historic Borough Hall Improvements - Phase III	July 18, 2019	July 16, 2020	July 16, 2021	1.50%	152,000	152,000				152,000
2018-15	Various Acquisitions and Improvements	July 18, 2019	July 16, 2020	July 16, 2021	1.50%	820,100	820,100				820,100
2019-10	Amend 2018-15: Various Acquisitions and Improvements	July 16, 2020	July 16, 2020	July 16, 2021	1.50%		133,000				133,000
2019-11	Acquisition of Property	July 16, 2020	July 16, 2020	July 16, 2021	1.50%		190,000				190,000
2019-12	Historic Borough Hall Improvements - Phase IV	July 16, 2020	July 16, 2020	July 16, 2021	1.50%		950,000				950,000
						\$ 2,325,000	3,660,000		2,325,000		3,660,000
								Cash		1,335,000	
								Renewed		2,325,000	
									\$	3,660,000	2,325,000

BOROUGH OF EDGEWATER

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>1,388,909</u>
Balance - December 31, 2020	\$ <u><u>1,388,909</u></u>

Analysis of Balance

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	33
	<u>1,388,909</u>
	\$ <u><u>1,388,909</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	14,653
Increased by:		
Interest Earned on Investments		2,663
		2,663
Balance - December 31, 2020	\$	17,316

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	674,346
Increased by:		
Improvement Authorizations	\$	
Cancelled Ord. 1547		1,248,870
2020 Budget Appropriations		200,000
		1,448,870
		2,123,216
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		256,250
		256,250
Balance - December 31, 2020	\$	1,866,966

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	<u>79,408</u>
Balance - December 31, 2020	\$	<u><u>79,408</u></u>

Schedule of Reserve for Receivables
General Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	72,907
Increased by:		
Unappropriated Grant Awards		<u>393,000</u>
		465,907
Decreased by:		
NJ DOT Grant Proceeds Received		<u>226,895</u>
Balance - December 31, 2020	\$	<u><u>239,012</u></u>

<u>Analysis of Balance</u>		
CDBG - Undercliff Avenue Imps. - (Palisades Terr. to Archer)		72,907
NJ DOT FY19 Undercliff Avenue Restoration Project (Ord. 2020-08)		<u>166,105</u>
	\$	<u><u>239,012</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Decreased by:</u>	<u>Balance, Dec. 31, 2020</u>
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613			252,613
1460	Imps. to DPW and Community Center Parking Lots	161,500		62,000	99,500
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	81			81
1547	Acquisition of 615 River Road	23,750,000		23,750,000	-
1550	Various Acquisitions and Improvements	8,427			8,427
2018-15/					
2019-10	Various Acquisitions and Improvements	134,650		133,000	1,650
2019-11	Acquisition of Property	190,000		190,000	-
2019-12	Historic Borough Hall Improvements - Phase IV	950,000		950,000	-
2020-08	2020 Road Restoration Project		425,000	226,895	198,105
2020-09	Amend 2018-15/2019-10: Various Acquisitions & Improvements		118,750		118,750
		<u>\$ 25,450,507</u>	<u>543,750</u>	<u>25,311,895</u>	<u>682,362</u>
	2020 Improvement Authorizations \$		<u>543,750</u>		
			Cancelled	23,750,000	
			Unappropriated Grants Received	226,895	
			Notes Issued	1,335,000	
				<u>\$ 25,311,895</u>	

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Operating Fund
Year ended December 31, 2020

Balance - December 31, 2019		\$	537,557
Cash Receipts:			
Membership/Slip Rentals	\$		322,367
2021 Prepaid Slip Rental Revenue			5,500
Membership/Slip Rentals			3,874
Other Miscellaneous			3,000
Interfund			<u>334,165</u>
			<u>668,906</u>
			1,206,463
Cash Disbursements:			
2020 Appropriations	\$		387,122
2019 Appropriation Reserves			23,772
Merchant Fees			4,300
Accrued Interest			<u>40,625</u>
			<u>455,819</u>
Balance - December 31, 2020		\$	<u><u>750,644</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019		\$ 1,446,980
Cash Disbursements:		
Improvement Authorizations	\$ 20,965	
Interfunds	<u>1,388,642</u>	
		<u>1,409,607</u>
Balance - December 31, 2020		\$ <u><u>37,373</u></u>

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2020

Due from Federal Emergency Management Agency	(247,943)
Interfunds Payable	358
Fund Balance	32,132

Improvement Authorizations:

<u>Ordinance number</u>	<u>Improvement Description</u>	
1465	Acquisition of Marina Dredging Equipment	30,823
1467	Dredging of the Marina	202,505
2017-1551/ 2018-004	Various Marina Improvements	<u>19,498</u>
		<u>\$ 37,373</u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2020</u>
Marina Utility Capital Fund	\$ 303,000	358	303,000	358
General Capital Fund	<u>31,165</u>	<u>31,057</u>	<u>31,165</u>	<u>31,057</u>
	<u>\$ 334,165</u>	<u>31,415</u>	<u>334,165</u>	<u>31,415</u>
	Cash Receipts \$		334,165	
	Grants Receivable	31,057		
	Interest Earnings	<u>358</u>		
		<u>\$ 31,415</u>	<u>334,165</u>	

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Marina Utility Operating Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$	58,136
Increased by:		
Grant Awards		<u>28,050</u>
		86,186
Decreased by:		
Interfunds		<u>31,057</u>
Balance - December 31, 2020	\$	<u><u>55,129</u></u>

Analysis of Balance

FY17 Port Security Grant	\$	8,937
FY18 Port Security Grant		17,208
FY19 Port Security Grant		934
FY20 Port Security Grant		<u>28,050</u>
	\$	<u><u>55,129</u></u>

BOROUGH OF EDGEWATER
Schedule of 2019 Reserves - Operating
Marina Utility Operating Fund
Year ended December 31, 2020

	<u>Balance,</u> Dec. 31, 2019	<u>Balance</u> After Transfers and <u>Encumbrances</u>	<u>Paid</u> or <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Salaries and Wages	\$ 36,410	26,410		26,410
Other Expenses	28,850	40,990	7,981	33,009
2019 Port Security	<u>16,725</u>	<u>16,725</u>	<u>15,791</u>	<u>934</u>
	<u>\$ 81,985</u>	<u>84,125</u>	<u>23,772</u>	<u>60,353</u>
Appropriation Reserves	\$ 81,985			
Encumbrances		<u>2,140</u>		
		<u>\$ 84,125</u>		

Exhibit D-11

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	2,140
Increased by:		
Transferred from Budget		<u>5,067</u>
		7,207
Decreased by:		
Transferred to Appropriation Reserves		<u>2,140</u>
Balance - December 31, 2020	\$	<u><u>5,067</u></u>

Exhibit D-12

Schedule of Prepaid Slip Revenue
Marina Utility Operating Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$	11,000
Increased by:		
2021 Slip Rental Revenue		<u>5,500</u>
		16,500
Decreased by:		
Slip Rental Realized as Revenue		<u>11,000</u>
Balance - December 31, 2020	\$	<u><u>5,500</u></u>

BOROUGH OF EDGEWATER

Schedule of Accrued Interest on Bonds

Marina Utility Operating Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 4,432
Increased by:	
Budget Appropriation	<u>50,000</u>
	54,432
Decreased by:	
Cash Disbursements	<u>40,625</u>
Balance - December 31, 2020	<u><u>\$ 13,807</u></u>

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2020</u>	<u>Rate</u>				
Serial Bonds Payable					
940,000	4.00%	8/15/20	12/31/20	<u>14,413</u>	<u>13,807</u>

BOROUGH OF EDGEWATER

Schedule of Deferred Charges - Deficit in Operations N.J.S.A. 40A:4-35

Marina Utility Operating Fund

Year ended December 31, 2020

Amount Resulting <u>from 2020</u>	Balance, Dec. 31, <u>2020</u>
\$ <u>26,851</u>	\$ <u>26,851</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, 2020

Balance - December 31, 2019	\$ <u>247,943</u>
Balance - December 31, 2020	\$ <u><u>247,943</u></u>

BOROUGH OF EDGEWATER
Schedule of Fixed Capital Authorized
and Uncompleted

Marina Utility Capital Fund

Year ended December 31, 2020

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

Balance - December 31, 2020 \$ 1,892,996

Analysis of Balance

Ord. 1465	450,000
Ord. 1467	742,996
Ord. 2017-1551/2018-004	700,000
	<u>\$ 1,892,996</u>

BOROUGH OF EDGEWATER

Schedule of Interfunds (Receivable)/Payable

Marina Utility Capital Fund

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2020</u>
Marina Utility Operating	\$ 303,000	358	303,000	358
General Capital Fund	<u>1,086,000</u>	<u> </u>	<u>1,086,000</u>	<u> </u>
	<u>\$ 1,389,000</u>	<u>358</u>	<u>1,389,000</u>	<u>358</u>
Interest on Investments		358		
Cash Disbursements		<u> </u>	<u>1,389,000</u>	
		<u>\$ 358</u>	<u>1,389,000</u>	

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

Marina Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2019		Paid or Charged	Balance Dec. 31, 2020	
				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		20,965	202,505	
2017-1551/ 2018-004	Various Marina Improvements	Sept. 18, 2017	590,000		19,498			19,498
			\$	223,470	50,321	20,965	202,505	50,321

BOROUGH OF EDGEWATER

Schedule of Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 145,000
Increased by:	
Paydown on Bonds	<u>65,000</u>
Balance - December 31, 2020	<u><u>\$ 210,000</u></u>

Schedule of Deferred Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2019</u>	Balance Dec. 31, <u>2020</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		\$ <u><u>742,996</u></u>	<u><u>742,996</u></u>

BOROUGH OF EDGEWATER, N.J.

Schedule of Serial Bonds

Marina Utility Operating Fund

Year ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
General Obligation Bonds	July 9, 2019	1,050,000	Feb. 15, 2021	70,000	4.00%	\$ 1,005,000	65,000	940,000
			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	65,000	940,000

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2020

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2019	\$ <u>3</u>	<u>1</u>	<u>4</u>
Increased by:			
Interest Earned	<u>1</u>	<u>1</u>	<u>2</u>
Balance - December 31, 2020	\$ <u><u>4</u></u>	<u><u>2</u></u>	<u><u>6</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year ended December 31, 2020

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2019	\$ <u>4</u>	<u>3</u>	<u>1</u>
Increased by:			
Interest Earned	<u>2</u>	<u>1</u>	<u>1</u>
Balance - December 31, 2020	\$ <u><u>6</u></u>	<u><u>4</u></u>	<u><u>2</u></u>

Exhibit F-1

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Sewer Facilities Grant Fund

Year ended December 31, 2020

Balance - December 31, 2019 \$ 74,501

Balance - December 31, 2020 \$ 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, 2020

Balance - December 31, 2019 \$ 74,501

Balance - December 31, 2020 \$ 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, 2020



WIELKOTZ & COMPANY J.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MATTHEW B. WIELKOTZ, CPA, PSA
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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, 2020 and the related notes to the financial statements, and have issued our report thereon dated August 24, 2021, 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 accompanying 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

August 24, 2021



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

BOROUGH OF EDGEWATER

GENERAL COMMENTS, (continued)

specifically by any other law. The governing body of a contracting unit may, by 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. On July 1, 2020, this amount was increased to \$44,000.

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:

2020 Road Improvement Program

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 6, 2020.

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 8, 2020 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, 2020	4
December 31, 2019	4
December 31, 2018	5

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

**BOROUGH OF EDGEWATER
COMMENTS
DECEMBER 31, 2020**

COMMENTS

Finance/Treasurer:

1. There is a deficit in operations of \$26,852 in the Marina Utility Operating Fund at year end.
2. There are ordinances greater than five years old with cash deficits.

Clerk/Administration:

1. The Borough's Police Contract (Edgewater P.B.A. Local 45) is not in compliance with State Law, N.J.S.A. 40A:9-10.4. The contract does not include a provision to not pay supplemental compensation to officers for accumulated unused sick time in an amount in excess of \$15,000.

Payroll:

1. There was one instances in which enrolled employees' health benefit deductions were not being calculated in accordance with Chapter 78, P.L. 2011.

Departments:

1. There were instances in which the building department is charging permit fees that are not in agreement with the approved fee ordinance.
2. *The Police Department is not issuing receipts for monies being collected.

Municipal Court:

1. Checks only contain one authorizing signature.
2. * A review of the December monthly management report indicated the following:
 - a. There were an excessive amount of tickets assigned have not been issued and are over 180 days old.
 - b. There were an excessive amount of tickets eligible for FTA over 14 days old.
 - c. There were an excessive amount of tickets eligible for dismissal.
 - d. There were an excessive amount of tickets eligible for order or driver's license suspension.
 - e. There were an excessive amount of tickets with other case statuses.
 - f. There were an excessive amount of complaints eligible for FTA over 14 days.
 - g. There were an excessive amount of complaints eligible for warrant.
3. * The Bail Account bank reconciliation includes outstanding checks greater than 180 days as reconciling items (NJSA 40A:5-5).
4. The Municipal Court Fines Account has old, reconciling items being carried for an extended period of time.

**BOROUGH OF EDGEWATER
RECOMMENDATIONS
DECEMBER 31, 2020**

RECOMMENDATIONS

Finance/Treasurer:

1. That more care be taken to ensure sufficient funds are available in the reserve prior to disbursement.
2. That all ordinances greater than five years old with cash deficits be funded.

Clerk/Administration:

1. The Borough should ensure that its active Police contract includes a provision to not pay supplemental compensation to any officer or employee for accumulated unused sick leave in an amount in excess of \$15,000 to be in compliance with State Law, N.J.S.A. 40A:9-10.4.

Payroll:

1. That procedures be implemented to ensure that the appropriate health benefit deductions are made for all employees.

Departments:

1. Fees charged for permits be levied in accordance with approved fee ordinances and/or fee ordinances be amended to include all permit fees that the department is charging.
2. *That receipts be issued for any monies collected by the Police Department.

Municipal Court:

1. Checks should contain two authorizing signatures.
2. * The ATS/ACS Monthly Management Reports should be reviewed, and policies implemented to address the excessive amount of tickets and complaints that need follow-up.
3. * All stale dated outstanding checks should be reviewed and voided as appropriate.
4. All old, reconciling items should be reviewed and voided as appropriate.

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

August 24, 2021