

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2022

(With Independent Auditors' Reports Thereon)

BOROUGH OF EDGEWATER

Table of Contents

<u>Exhibit</u>		<u>Page</u>
	<u>Part I</u>	
	Independent Auditor's Report	1-4
	FINANCIAL STATEMENTS	
	<u>Current Fund</u>	
A	Balance Sheet - Regulatory Basis	5-6
A-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8-9
A-3	Statement of Expenditures - Regulatory Basis	10-17
	<u>Trust Funds</u>	
B	Balance Sheet - Regulatory Basis	18-19
	<u>General Capital Fund</u>	
C	Balance Sheet - Regulatory Basis	20
C-1	Schedule of Fund Balance - Regulatory Basis	21
	<u>Marina Utility Fund</u>	
D	Balance Sheet - Regulatory Basis	22-23
D-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	24
D-2	Statement of Changes in Fund Balance - Regulatory Basis	25
D-3	Statement of Revenues - Regulatory Basis	26
D-4	Statement of Expenditures - Regulatory Basis	27
	<u>Public Assistance Fund</u>	
E	Balance Sheet - Regulatory Basis	28
	<u>Sewer Facilities Grant Fund</u>	
F	Balance Sheet - Regulatory Basis	29

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>General Fixed Assets Account Group</u>	
G	Statement of General Fixed Assets - Regulatory Basis	30
	Notes to Financial Statements	31-69
	Supplementary Data	70-76
	<u>Current Fund</u>	
A-4	Schedule of Cash - Collector/Treasurer	77
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	78
A-6	Schedule of Tax Title Liens	79
A-7	Schedule of Revenue Accounts Receivable	80
A-8	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	81
A-9	Schedule of Local District School Tax Payable/(Receivable)	81
A-10	Schedule of County Taxes Payable	82
A-11	Schedule of Due County for Added and Omitted Taxes	82
A-12	Schedule of Appropriation Reserves	83-88
A-13	Schedule of Reserve for Encumbrances	89
A-14	Schedule of Tax Overpayments	89
A-15	Schedule of Prepaid Taxes	90
A-16	Schedule of Due to the State - Marriage License Fees	90
A-17	Schedule of Property Acquired for Taxes - Assessed Valuation	91
A-18	Schedule of Reserve for Tax Title Lien Premium	91
A-19	Schedule of Interfunds	92
A-20	Schedule of Various Reserves	93
A-21	Schedule of Accounts Payable	94
A-22	N.J.S.A. 40A:4-46 Emergency Authorization	N/A
A-23	Schedule of Deferred Charges – N.J.S.A. 40A:4-53 Special Emergency Authorizations	95
A-24	Schedule of Special Emergency Notes	N/A
A-25	Schedule of Grants Receivable - State and Federal Grant Fund	96
A-26	Schedule of Due from/(to) Current Fund	97
A-27	Schedule of Appropriated Grant Reserves - State and Federal Grant Fund	98-99
A-28	Schedule of Unappropriated Grant Reserves - State and Federal Grant Fund	100

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>Trust Funds</u>	
B-1	Schedule of Cash - Treasurer	101
B-2	Schedule of Reserve for Expenditures - Animal License Fund	102
B-3	Schedule of Due to State of New Jersey - Animal License Fees	103
B-4	Schedule of Reserve Escrow Deposits	103
B-5	Schedule of Interfunds Receivable/(Payable) - Trust Funds	104
B-6	Schedule of Miscellaneous Reserves	105
B-7	Statement of Service Award Contributions Receivable - Emergency Services Length of Service Award Program	106
B-8	Statement of Net Assets Available for Benefits - Emergency Services Length of Service Award Program	106
	<u>General Capital Fund</u>	
C-2	Schedule of Cash - Treasurer	107
C-3	Schedule of General Capital Fund Cash	108
C-4	Schedule of Deferred Charges to Future Taxation - Funded	109
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	110
C-6	Schedule of Grants Receivable - New Jersey Department of Transportation	111
C-7	Schedule of Grants Receivable - New Jersey Department of Environmental Protection	111
C-8	Schedule of Community Development Block Grant Receivables	112
C-9	Schedule of Amount Due from the Federal Emergency Management Agency - Ord. 1484	112
C-10	Schedule of Bergen County Open Space/Historical Preservation Grant Receivables	113
C-11	Schedule of Interfunds	114
C-12	Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable	115-117

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>General Capital Fund, (continued)</u>	
C-13	Schedule of Green Trust Loans Payable	118-119
C-14	Schedule of Serial Bonds	120-121
C-15	Schedule of Bond Anticipation Notes	122
C-16	Schedule of Reserve for Payment of Debt	123
C-17	Schedule of Reserve for Green Acres	124
C-18	Schedule of Capital Improvement Fund	124
C-19	Schedule of Improvement Authorizations	125
C-20	Schedule of Unappropriated Grant	126
C-21	Schedule of Reserve for Grant Receivables	126
C-22	Schedule of Bonds and Notes Authorized but not Issued	127
	<u>Marina Utility Fund</u>	
D-5	Schedule of Cash - Collector - Treasurer - Operating Fund	128
D-6	Schedule of Cash - Collector - Treasurer - Capital Fund	129
D-7	Schedule of Marina Utility Capital Fund Cash	130
D-8	Schedule of Interfunds Receivable/(Payable) - Operating Fund	131
D-9	Schedule of Grants Receivable - Operating Fund	132
D-10	Schedule of 2021 Reserves - Operating Fund	133
D-11	Schedule of Encumbrances Payable	134
D-12	Schedule of Prepaid Slip Revenue	134
D-13	Schedule of Accrued Interest on Bonds – Operating Utility Fund	135
D-14	Schedule of Deferred Charges – Deficit in Operations N.J.S.A. 40A:4-35	136
D-15	Schedule of Amount Due from the Federal Emergency Management Agency - Ord.1467	137
D-16	Schedule of Fixed Capital Authorized and Uncompleted Capital Fund	138
D-17	Schedule of Improvement Authorizations	139
D-18	Schedule of Reserve for Amortization	140
D-19	Schedule of Deferred Reserve for Amortization	140
D-20	Schedule of Serial Bonds	141

BOROUGH OF EDGEWATER

Table of Contents, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>Public Assistance Fund</u>	
E-1	Schedule of Cash - Treasurer	142
E-2	Schedule of Reserve for Public Assistance	143
	<u>Sewer Facilities Grant Fund</u>	
F-1	Schedule of Grants Receivable	144
F-2	Schedule of Reserve for Grant Expenditures	144
	<u>Part II</u>	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	145-146
	General Comments	147-149
	Comments	150
	Recommendations	150
	Status of Prior Years Audit Findings/Recommendations	151
	Acknowledgment	151



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Edgewater
Edgewater, NJ 07020

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Edgewater, as of December 31, 2022 and 2021, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues -regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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 accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Edgewater as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Edgewater, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



Honorable Mayor and
Members of the Borough Council
Page 2.

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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,389,990 and \$1,512,853 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, expect for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account groups as of December 31, 2022 and 2021, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively



Honorable Mayor and
Members of the Borough Council
Page 4.

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 supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023 on our consideration of the Borough of Edgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal control over financial reporting and compliance.



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



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

June 20, 2023



BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>
Current Fund:			
Cash	A-4	\$ 14,304,281	12,296,051
Petty Cash		250	250
Change Funds		200	200
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	36,113	36,213
		<u>14,340,844</u>	<u>12,332,714</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	726,459	1,622,793
Property Acquired for Taxes - Assessed Valuation	A-17	3,844,775	3,844,775
Tax Title Liens	A-6	73,074	70,777
Revenue Accounts Receivable	A-7	241,072	229,069
Interfunds Receivable	A-19	54,146	47,115
		<u>4,939,526</u>	<u>5,814,529</u>
Deferred Charges:			
Special Emergency Authorizations	A-23	1,065,660	1,344,575
		<u>1,065,660</u>	<u>1,344,575</u>
		<u>20,346,030</u>	<u>19,491,818</u>
State and Federal Grant Fund:			
Grants Receivable	A-25	116,251	192,199
Due from Current Fund	A-26	1,960,651	1,037,262
		<u>2,076,902</u>	<u>1,229,461</u>
		<u>\$ 22,422,932</u>	<u>20,721,279</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2022</u>	<u>Dec. 31,</u> <u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3,A-12	\$ 2,102,688	2,662,474
Local School District Tax Payable	A-9	7	65,400
Encumbrances Payable	A-13	472,487	340,767
County Added and Omitted Taxes Payable	A-11	3,086	13,939
Tax Overpayments	A-14	7,306	36,430
Prepaid Taxes	A-15	658,235	554,131
Marriage License Fees Payable	A-16		350
Reserve for Tax Title Lien Premium	A-18	566,000	238,000
Interfund Payables:	A-19	1,961,858	1,518,800
Various Miscellaneous Reserves	A-20	742,623	1,147,486
Accounts Payable	A-21	21,937	21,937
		<u>6,536,227</u>	<u>6,599,714</u>
Reserve for Receivables and Other Assets	A	4,939,526	5,814,529
Fund Balance	A-1	<u>8,870,277</u>	<u>7,077,575</u>
		<u>20,346,030</u>	<u>19,491,818</u>
State and Federal Grant Fund:			
Appropriated Reserves	A-27	1,155,266	412,979
Encumbrances Payable	A-27	152,992	47,548
Unappropriated Reserves	A-28	768,644	768,934
		<u>2,076,902</u>	<u>1,229,461</u>
		<u>\$ 22,422,932</u>	<u>20,721,279</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, 2022

	Dec. 31, <u>2022</u>	Dec. 31, <u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,350,000	3,300,000
Miscellaneous Revenue Anticipated	5,324,618	4,040,310
Receipts from Delinquent Taxes	1,622,793	2,041,654
Receipts from Current Taxes	64,663,600	65,749,131
Nonbudget Revenues	784,233	658,512
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,162,436	1,660,010
Interfunds Returned	43,365	
Prior Year Adjustment	44,722	
Tax Title Lien Premiums	4,000	
Liabilities Canceled		<u>432,852</u>
Total Revenue	<u>77,999,767</u>	<u>77,882,469</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	11,237,605	10,857,996
Other Expenses	14,183,352	13,021,878
Deferred Charges and Statutory Expenditures	2,785,036	2,612,927
Capital Improvements		200,000
Municipal Debt Service	4,775,980	4,739,404
County Taxes	9,499,497	9,840,493
Due County for Added Taxes	3,086	13,939
Local District School Taxes	30,334,445	32,705,368
Interfund Advanced	22,007	
Refund Prior Year Revenue	16,057	23,416
Total Expenditures	<u>72,857,065</u>	<u>74,015,421</u>
Excess in Revenue	<u>5,142,702</u>	<u>3,867,048</u>
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		
Statutory Excess to Surplus	5,142,702	3,867,048
Fund Balance - January 1,	<u>7,077,575</u>	<u>6,510,527</u>
	12,220,277	10,377,575
Decreased by Utilization as Anticipated Revenue	<u>3,350,000</u>	<u>3,300,000</u>
Fund Balance - December 31,	<u>\$ 8,870,277</u>	<u>7,077,575</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2022

	Budget	Realized	Excess (deficit)
Surplus Anticipated	\$ 3,350,000	3,350,000	
Miscellaneous Revenues:			
Licenses:			
Other	40,000	61,287	21,287
Fees and Permits:			
Other	250,000	404,925	154,925
Construction Code Official	480,000	885,356	405,356
Fines and Costs Municipal Court	90,000	121,304	31,304
Interest and Costs on Taxes	200,000	263,575	63,575
Interest on Investments and Deposits	9,400	52,491	43,091
Consolidated Municipal Property Tax Relief Aid	53,313	17,446	(35,867)
Energy Receipts Tax	697,418	733,285	35,867
Recycling Tonnage Grant	155,820	155,820	
Clean Communities	24,746	24,746	
Alcohol Education and Rehabilitation	682	682	
Assistance to Firefighters Grant	14,286	14,286	
Municipal Alliance	4,507	4,507	
National Opioid Settlement	11,239	11,239	
American Rescue Plan	699,395	699,395	
Body Armor Replacement Fund	8,302	8,302	
Reserve for Payment of Debt	250,000	250,000	
Uniform Fire Safety Act	40,000	29,614	(10,386)
Commercial Sewer Fees	384,000	307,400	(76,600)
General Capital Fund Balance	405,000	405,000	
Hotel Tax	350,000	508,231	158,231
PILLOT Payments - Waterview Towers	410,000	365,727	(44,273)
Total Miscellaneous Revenues	<u>4,578,108</u>	<u>5,324,618</u>	<u>746,510</u>
Receipts from Delinquent Taxes	<u>1,600,000</u>	<u>1,622,793</u>	<u>22,793</u>
Subtotal General Revenues	9,528,108	10,297,411	769,303
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	24,577,533		
Minimum Library Tax	<u>1,229,401</u>	<u>26,978,072</u>	<u>1,171,138</u>
Budget Totals	35,335,042	37,275,483	1,940,441
Non-Budget Revenue		<u>784,233</u>	<u>784,233</u>
	<u>\$ 35,335,042</u>	<u>38,059,716</u>	<u>2,724,674</u>
Adopted Budget	35,284,771		
Appropriated by N.J.S.A. 40A:4-87	<u>50,271</u>		
	<u>\$ 35,335,042</u>		

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Current Fund
Year ended December 31, 2022

Analysis of Realized Revenue

Allocation of Current Tax Collections;	
Revenue from Collections	\$ <u>64,663,600</u>
Allocated to:	
Local District School Tax	30,334,445
County Taxes	<u>9,502,583</u>
	<u>39,837,028</u>
Balance for Support of Municipal Budget Appropriations	24,826,572
Reserve for Uncollected Taxes	<u>2,151,500</u>
	<u>\$ 26,978,072</u>
Receipts from:	
Delinquent Tax Collections	\$ <u>1,622,793</u>

Analysis of Miscellaneous Revenue Not Anticipated

Police Fees	\$ 6,381
Miscellaneous	37,127
Parking Permits	6,400
Polling Place	80
Cable TV	93,390
Port Imperial	40,618
Parking Meters	26,528
Charter Commission Franchise Fee	24,881
Sewer Connection Fees	154
Ambulance Fees	172,515
State Housing	11,747
Circus	6,854
B Med	158,516
FLMA	115,730
Electric Car Meters	9,828
Wells Fargo	5,494
COVID Supplies	12,201
Sale of Assets	32,922
Advertising	12,557
PILOT	<u>10,310</u>
	<u>\$ 784,233</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 590,920	515,920	505,365	10,555	
Other Expenses	305,550	305,550	244,277	61,273	
Mayor and Council:					
Salaries and Wages	100,560	100,560	100,453	107	
Elections:					
Salaries and Wages	5,000	5,000	3,563	1,437	
Other Expenses	9,200	9,200	3,511	5,689	
Financial Administration:					
Annual Audit	75,000	75,000	74,200	800	
Other Expenses	35,000	35,000	24,085	10,915	
Collection of Taxes:					
Salaries and Wages	143,000	143,000	132,452	10,548	
Other Expenses	41,200	44,200	43,970	230	
Assessment of Taxes:					
Salaries and Wages	104,940	104,940	70,330	34,610	
Other Expenses:					
Consultant and Legal Fees-Tax Appeals	60,000	60,000	46,512	13,488	
Miscellaneous Other Expenses	90,100	90,100	68,679	21,421	
Legal Services and Costs:					
Other Expenses	695,000	695,000	620,553	74,447	
Engineering Service and Cost:					
Miscellaneous Other Expenses	200,000	200,000	100,242	99,758	
Insurance:					
Hospitalization	3,316,000	3,249,400	2,937,519	311,881	
Other Insurance	786,624	825,624	825,549	75	
Public Building and Grounds:					
Other Expenses	288,900	288,900	282,202	6,698	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	8,110	9,886	9,886		
Other Expenses	18,000	18,000	8,850	9,150	
Zoning Board:					
Salaries and Wages	20,450	20,450	13,872	6,578	
Other Expenses	34,400	34,400	13,729	20,671	
Rent Leveling Board:					
Salaries and Wages	8,109	8,109	7,618	491	
Other Expenses	9,700	9,700	3,596	6,104	
Housing Inspector:					
Salaries and wages	10,600	10,600		10,600	
Other Expenses	3,500	3,500		3,500	
PUBLIC SAFETY:					
Fire:					
Salaries and Wages	454,000	454,000	354,962	99,038	
Other Expenses	267,500	267,500	264,272	3,228	
Fire Hydrant Services	192,000	192,000	158,101	33,899	
Volunteer First Aid:					
Salaries and Wages	436,000	450,765	450,764	1	
Other Expenses	137,100	137,100	84,578	52,522	
Fire Prevention:					
Other Expenses	38,500	38,500	25,268	13,232	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Police:					
Salaries and Wages	5,843,320	5,843,320	5,756,363	86,957	
Other Expenses:					
Miscellaneous Other Expenses	341,500	341,500	327,108	14,392	
Automobiles	80,200	80,200	69,633	10,567	
Emergency Management Services:					
Salaries and Wages	6,000	6,000	5,401	599	
Other Expenses	30,000	30,000	10,007	19,993	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	2,265,000	2,265,000	2,220,384	44,616	
Other Expenses	232,700	232,700	230,098	2,602	
Snow Removal - Other Expenses	83,000	83,000	41,468	41,532	
Health and Welfare:					
Board of Health:					
Salaries and Wages	147,900	147,900	63,353	84,547	
Other Expenses	175,600	175,600	109,718	65,882	
Dog Regulation - Other Expenses	9,000	9,000	699	8,301	
Administration of Public Assistance:					
Emergency Assistance	5,150	5,150		5,150	
Recreation and Education:					
Parks and Playgrounds - Other Expenses	103,200	103,200	89,778	13,422	
Recreation:					
Salaries and Wages	520,000	520,000	453,612	66,388	
Other Expenses	208,900	208,900	157,324	51,576	
Celebration of Public Event, Anniversary or Holiday - Other Expenses	36,000	40,000	39,521	479	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Senior Citizens Committee:					
Other Expenses	35,850	49,850	47,877	1,973	
Sanitation:					
Garbage and Trash removal:					
Other Expenses	1,125,000	1,125,000	945,160	179,840	
Recycling Program:					
Salaries and Wages	53,000	54,675	54,675		
Municipal Court:					
Salaries and Wages	177,000	177,000	154,951	22,049	
Other Expenses	25,000	25,000	11,507	13,493	
Uniform Construction Code-Appropriations Office, by Dedicated Revenues (N.J.A.C. 5.23-4.17)					
State Uniform Construction Code Official:					
Salaries and Wages	400,480	400,480	380,735	19,745	
Other Expenses	95,500	95,500	77,471	18,029	
UNCLASSIFIED:					
Utilities:					
Gas & Electric	390,000	390,000	257,070	132,930	
Street Lighting	287,000	287,000	218,539	68,461	
Water	110,000	110,000	104,236	5,764	
Fuel	120,000	155,000	150,148	4,852	
Telephone	300,700	325,700	322,277	3,423	
Pilots - Bergen County 5%	50,000	50,000	35,664	14,336	
Salary and Wage Adjustment	125,000	106,784			106,784
Total Operations within "CAPS"	21,866,963	21,845,363	19,813,735	1,924,844	106,784

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Detail:					
Salaries & Wages	11,419,389	11,344,389	10,738,739	498,866	106,784
Other Expenses (Including Contingent)	10,447,574	10,500,974	9,074,996	1,425,978	
	21,866,963	21,845,363	19,813,735	1,924,844	106,784
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES:					
Prior Year Bills	534	534	534		
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	620,799	620,799	566,561	54,238	
Social Security System (O.A.S.I.)	520,000	536,600	536,591	9	
Police and Firemen's Retirement System	1,343,688	1,343,688	1,343,688		
Unemployment Insurance	4,500	4,500	1,292	3,208	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,489,521	2,506,121	2,448,666	57,455	
Total General Appropriations for Municipal Purposes within "CAPS"	24,356,484	24,351,484	22,262,401	1,982,299	106,784

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Operations-Excluded from "CAPS"					
Maintenance of Free Public Library	1,229,401	1,229,401	1,127,065	102,336	
LOSAP	84,000	84,000	66,700	17,300	
Reserve for Tax Appeals	100,000	100,000	100,000		
Bergen County Utilities Authority-Share of Costs -Sewer Operating	1,350,000	1,350,000	1,349,247	753	
Total Operations-Excluded from "CAPS"	2,763,401	2,763,401	2,643,012	120,389	
Public and Private Programs Offset with Revenues:					
Clean Community Program	24,746	24,746	24,746		
Assistance to Firefighters Grant	14,286	14,286	14,286		
Body Armor	8,302	8,302	8,302		
American Rescue	699,395	699,395	699,395		
Emergency Medical	11,239	11,239	11,239		
Recycling Tonnage	155,820	155,820	155,820		
Municipal Alliance					
Other Expenses	3,380	3,380	3,380		
Matching Funds	1,127	1,127	1,127		
Alcohol Education Rehabilitation Fund	682	682	682		
Total Public and Private Programs Offset with Revenue	918,977	918,977	918,977		
Total Operations-Excluded from "CAPS"	3,682,378	3,682,378	3,561,989	120,389	
Detail:					
Other Expenses	3,682,378	3,682,378	3,561,989	120,389	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	3,165,000	3,170,000	3,165,000		5,000
Payment of Bond anticipation Note Principal	148,765	148,765	148,765		
Interest on Bonds	1,200,000	1,200,000	1,126,713		73,287
Interest on Notes	60,000	60,000	53,350		6,650
Green Trust Loan Program	92,000	92,000	90,611		1,389
New Jersey Infrastructure Trust Loan					
Principal	175,000	175,000	167,252		7,748
Interest	25,000	25,000	24,289		711
Total Municipal Debt Service-Excluded from "CAPS"	4,835,765	4,870,765	4,775,980		94,785
Deferred Charges:					
Emergency Authorization	278,915	278,915	278,915		
Total Deferred Charges - Municipal - Excluded from "CAPS"	278,915	278,915	278,915		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,827,058	8,832,058	8,616,884	120,389	94,785
Subtotal General Appropriations	33,183,542	33,183,542	30,879,285	2,102,688	201,569

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2022

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Reserve for Uncollected Taxes	2,151,500	2,151,500	2,151,500		
Total General Appropriations	\$ 35,335,042	35,335,042	33,030,785	2,102,688	201,569
Adopted Budget	35,284,771				
Added by N.J.S.A. 40A: 4-87	50,271				
	\$ 35,335,042				
Analysis of Paid or Charged					
Federal and State Grant Fund			918,977		
Deferred Charges			278,915		
Transfer to Various Reserves			100,000		
Reserve for Uncollected Taxes			2,151,500		
Reserve for Encumbrances			625,480		
Cash			28,955,913		
			\$ 33,030,785		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal License Fund:			
Cash	B-1	\$ <u>96</u>	<u>90</u>
Escrow Trust Fund:			
Cash	B-1	<u>149,090</u>	<u>152,156</u>
Other Trust Funds:			
Cash	B-1	872,955	847,923
Interfunds Receivable	B-5	<u>1,207</u>	<u>991</u>
		<u>874,162</u>	<u>848,914</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,337,090	1,446,153
Contributions Receivable	B-7	<u>52,900</u>	<u>66,700</u>
		<u>1,389,990</u>	<u>1,512,853</u>
		<u>\$ 2,413,338</u>	<u>2,514,013</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	76	74
Due to State of New Jersey	B-3	<u>20</u>	<u>16</u>
		<u>96</u>	<u>90</u>
Escrow Trust Fund:			
Escrow Deposits	B-4	149,015	152,095
Due to Current Fund	B-5	<u>75</u>	<u>61</u>
		<u>149,090</u>	<u>152,156</u>
Other Trust Funds:			
Interfunds Payable	B-5	61,198	59,110
Reserve for:			
Cemetery Bequests	B-6	6,197	6,189
Bullet Proof Vests	B-6	2,174	5,019
Ferry Performance Security	B-6	195,447	195,447
Fire Prevention	B-6	7,803	7,263
POAA	B-6	13,458	13,007
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	62,584	61,353
Recycling Fees	B-6	17,228	17,100
Recycling	B-6	57,218	46,778
Bergen County CDA Trust	B-6	102	102
Flexible Spending Trust	B-6	43,851	46,435
Municipal Alliance Trust	B-6	4,146	8,373
Shade Tree	B-6	13,755	12,010
Police Confiscated	B-6	3,958	3,957
Snow Removal	B-6	<u>51,694</u>	<u>33,422</u>
		<u>874,162</u>	<u>848,914</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	<u>1,389,990</u>	<u>1,512,853</u>
		<u>\$ 2,413,338</u>	<u>2,514,013</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash:			
Checking	C-2,C-3	\$ 6,518,176	6,725,362
Deferred Charges to Future Taxation:			
Funded	C-4	34,077,160	37,485,376
Unfunded	C-5	13,513,066	10,465,331
Grants Receivable:			
New Jersey Department of Transportation	C-6	484,973	283,973
New Jersey Department of Environmental Protection	C-7	115,000	115,000
Community Development Block Grant	C-8	227,907	152,907
Federal Emergency Management Agency	C-9	7,336	7,336
Bergen County Open Space/Historical Preservation	C-10	512,057	512,057
Interfunds Receivable	C-11	32,214	512,761
		<u>\$ 55,487,889</u>	<u>56,260,103</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-11	19,999	28,050
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-12	841,961	1,015,419
Green Trust Loan Payable	C-13	990,200	1,059,958
Serial Bonds Payable	C-14	32,245,000	35,410,000
Bond Anticipation Notes	C-15	7,800,000	4,268,000
Reserve for Payment of Debt	C-16	2,027,527	2,277,527
Reserve for Green Acres	C-17	23,862	19,978
Capital Improvement Fund	C-18	1,640,388	1,761,888
Improvement Authorizations:			
Funded	C-19	989,037	1,240,787
Unfunded	C-19	7,483,983	7,644,239
Unappropriated State Grant	C-20	79,408	79,408
Reserve for Grants Receivable	C-21	1,325,172	1,049,172
Fund Balance	C-1	<u>21,352</u>	<u>405,677</u>
		<u>\$ 55,487,889</u>	<u>56,260,103</u>

There were \$5,713,066 and \$6,197,331 of Bonds and Notes Authorized But Not Issued December 31, 2022 and 2021 (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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Balance - January 1,	\$ 405,677	860,508
Increased by Receipts:		
Unexpended Note Proceeds Cancelled		224
Premium Received on Sale of:		
Bond Anticipation Notes	<u>20,675</u>	<u>44,945</u>
	<u>20,675</u>	<u>45,169</u>
	426,352	905,677
Decreased by Disbursements:		
Budget Revenue Realized	<u>405,000</u>	<u>500,000</u>
	<u>405,000</u>	<u>500,000</u>
Balance - December 31,	<u>\$ 21,352</u>	<u>405,677</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>Dec 31,</u> <u>2022</u>	<u>Dec 31,</u> <u>2021</u>
Operating Fund:			
Cash	D-5	704,876	736,151
Interfund Receivables	D-8		28,050
Grants Receivable	D-9	139,347	55,129
Deferred Charges - Deficit in Operations	D-14	<u>5,000</u>	<u>5,500</u>
Total Operating Fund		<u>849,223</u>	<u>824,830</u>
Capital Fund:			
Cash	D-6,7	36,949	37,015
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>2,177,888</u>	<u>2,177,954</u>
		<u>\$ 3,027,111</u>	<u>3,002,784</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>Dec 31,</u> <u>2022</u>	<u>Dec 31,</u> <u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4/D-10	160,176	39,048
Reserve for Encumbrances	D-11	12,293	17,536
Prepaid Slip Rental Revenue	D-12	13,335	8,740
Accrued Interest on Bonds	D-13	11,475	16,337
Interfunds Payable	D-8	5,000	20,158
Fund Balance	D-1	<u>646,944</u>	<u>723,011</u>
Total Operating Fund		<u>849,223</u>	<u>824,830</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-17	202,439	202,505
Unfunded	D-17	50,321	50,321
Reserve for Amortization	D-18	355,000	280,000
Deferred Reserve for Amortization	D-19	742,996	742,996
Serial Bonds Payable	D-20	795,000	870,000
Fund Balance	D-2	<u>32,132</u>	<u>32,132</u>
Total Capital Fund		<u>2,177,888</u>	<u>2,177,954</u>
		<u>\$ 3,027,111</u>	<u>3,002,784</u>

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2022 and December 31, 2021.

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>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 160,500	186,352
Operating Revenues	416,252	364,603
Miscellaneous Revenue Not Anticipated	5,138	801
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	31,499	26,237
Cancelled Accrued Interest	2,762	
	<hr/>	<hr/>
Total income	616,151	577,993
	<hr/>	<hr/>
Expenditures:		
Operations:		
Salaries and Wages	92,000	92,000
Other Expenses	334,218	253,050
Debt Service	100,000	107,530
Deferred Charges and Statutory Expenditures	5,500	21,351
	<hr/>	<hr/>
Total expenditures	531,718	473,931
	<hr/>	<hr/>
Excess/(Deficit) in Operations	84,433	104,062
	<hr/>	<hr/>
Fund Balance, January 1	723,011	805,301
	<hr/>	<hr/>
	807,444	909,363
	<hr/>	<hr/>
Decreased by Utilization as Anticipated Revenue	160,500	186,352
	<hr/>	<hr/>
Fund Balance, December 31,	\$ 646,944	723,011
	<hr/> <hr/>	<hr/> <hr/>

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, 2022

	<u>2022</u>	<u>2021</u>
Balance - January 1,	\$ 32,132	32,132
	<hr/>	<hr/>
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, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 160,500	160,500	
Operating Revenues:			
Membership Fees/Slip Rentals	335,000	332,034	(2,966)
FY22 Port Security Grant	84,218	84,218	
Total Operating Revenues	<u>419,218</u>	<u>416,252</u>	<u>(2,966)</u>
Non-Budget Revenue		<u>5,138</u>	<u>5,138</u>
Total Revenues	<u>\$ 579,718</u>	<u>581,890</u>	<u>2,172</u>
Adopted Budget	\$ 495,500		
Added by N.J.S. 40 A:4-87	<u>84,218</u>		
	<u>\$ 579,718</u>		

Analysis of Operating Revenues

Cash Receipts	\$ 323,294
FY22 Port Security Grant Realized	84,218
Prepaid Applied	<u>8,740</u>
	<u>\$ 416,252</u>

Non-Budget Revenue

Interest on Investments	3,483
MRNA	<u>1,655</u>
	<u>\$ 5,138</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of Expenditures - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2022

	Appropriations		Expended		Unexpended Balance Cancelled	Over- Expenditures
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 140,000	140,000	90,974	1,026	48,000	
Other Expenses	250,000	250,000	175,068	74,932		
2021 Port Security	84,218	84,218		84,218		
Debt Service:						
Payment of Bond Principal	70,000	70,000	75,000			5,000
Interest on Bonds	30,000	30,000	30,000			
Deficit in Operations in Prior Years	5,500	5,500	5,500			
	\$ 579,718	579,718	376,542	160,176	48,000	5,000
		Adopted Budget 495,500				
		Added by N.J.S.A. 40A: 4-87 <u>84,218</u>				
		\$ 579,718				
		Reserve for Encumbrances	12,293			
		Deficit in Operations	5,500			
		Accrued Interest	30,000			
		Cash Disbursed	328,749			
			\$ 376,542			

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Cash	E-1	\$ <u>0</u>	<u>6</u>
		\$ <u>0</u>	<u>6</u>
<u>Reserve</u>			
Reserve for Public Assistance	E-2	\$ <u>0</u>	<u>6</u>
		\$ <u>0</u>	<u>6</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Sewer Facilities Grant Fund
December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Land	\$ 39,098,718	38,559,415
Buildings	13,877,205	11,455,033
Vehicles and Equipment	<u>13,788,558</u>	<u>13,191,416</u>
	<u>\$ 66,764,481</u>	<u>63,205,864</u>
 Investment in Fixed Assets	 <u>\$ 66,764,481</u>	 <u>63,205,864</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2022 and 2021

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, 2022 and 2021
(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, 2022 and 2021
(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, 2022 and 2021
(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, 2022 and 2021
(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, 2022, the Mayor and Council amended the budget by \$50,271 for additional grants received in addition to several budget transfers.

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, 2022 and 2021
(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, 2022 and 2021
(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

There were no new accounting pronouncements adopted by the Borough during 2022.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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:

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 2. PENSION PLANS, (continued)

Benefits Provided, (continued)

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 2. PENSION PLANS, (continued)

Benefits Provided, (continued)

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.

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.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 2. PENSION PLANS, (continued)

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>
2021	\$610,627	\$1,322,197	\$-0-
2020	506,708	1,136,757	-0-
2019	484,885	1,123,969	-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.

The following pension information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 68 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 statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2021, the Borough had a liability of \$6,279,731 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the Borough's proportion was .0503009171 percent, which was an increase/(decrease) of .002825914 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$610,627. At December 31, 2021, 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	\$99,039	\$44,955
Changes of assumptions	32,705	2,235,625
Net difference between projected and actual earnings on pension plan investments		1,654,246
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>598,952</u>	<u>49,618</u>
Total	<u>\$730,696</u>	<u>\$3,984,444</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) 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:	
2022	\$(1,481,743)
2023	(1,057,961)
2024	(721,349)
2025	(542,240)
2026	211

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 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, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	0.053009171%	0.0532917622%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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, 2022 and 2021
(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, 2021 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-2021.

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, 2021) 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, 2021 are summarized in the following table:

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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, 2022 and 2021
(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, 2021, 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, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,575,940	\$6,279,731	\$4,331,073

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, 2021, the Borough had a liability of \$8,426,873 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the Borough's proportion was .1152920758 percent, which was an increase of .003060188 percent from its proportion measured as of June 30, 2020.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2021, the Borough recognized pension expense of \$1,322,197. At December 31, 2021, 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	\$96,140	\$1,009,452
Changes of assumptions	44,840	2,525,495
Net difference between projected and actual earnings on pension plan investments		3,590,965
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>682,858</u>	<u>741,114</u>
Total	<u>\$823,838</u>	<u>\$7,867,026</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) 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:	
2022	\$(2,236,143)
2023	(1,678,546)
2024	(1,440,310)
2025	(1,420,321)
2026	(179,155)
Thereafter	(30,456)

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 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	0.1152920758%	.01183522641%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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, 2022 and 2021
(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, 2021 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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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, 2021, 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, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$14,027,744	\$8,426,873	\$3,767,251

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,055,697,552 and \$2,373,353, respectively. For the years ended December 31, 2021 and 2020, 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 \$263,955 and \$268,972, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$205,885 and \$182,628, 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, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2022</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation Debt	\$35,410,000	\$	\$3,165,000	\$32,245,000	\$3,245,000
Bonds Payable - Marina Utility Debt	870,000		75,000	795,000	80,000
Other Liabilities:					
New Jersey Wastewater Loans	1,015,419		173,458	841,961	169,808
Green Acres Trust Loans	1,059,958		69,758	990,200	71,161
Compensated Absences Payable	<u>1,609,033</u>	<u>241,047</u>	<u>157,594</u>	<u>1,692,486</u>	<u> </u>
	<u>\$39,964,410</u>	<u>\$241,047</u>	<u>\$3,640,810</u>	<u>\$36,564,647</u>	<u>\$3,565,969</u>
	Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2021</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation Debt	\$38,480,000	\$	\$3,070,000	\$35,410,000	\$3,165,000
Bonds Payable - Marina Utility Debt	940,000		70,000	870,000	75,000
Other Liabilities:					
New Jersey Wastewater Loans	1,179,708		164,289	1,015,419	173,458
Green Acres Trust Loans	1,128,343		68,385	1,059,958	69,758
Capital Leases Payable	62,000		62,000	0	
Compensated Absences Payable	<u>1,415,241</u>	<u>260,128</u>	<u>66,336</u>	<u>1,609,033</u>	<u> </u>
	<u>\$43,205,292</u>	<u>\$260,128</u>	<u>\$3,501,010</u>	<u>\$39,964,410</u>	<u>\$3,483,216</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year 2022	Year 2021	Year 2020
Issued:			
General Bonds and Notes	\$40,045,000	\$39,678,000	\$42,140,000
Marina Utility Bonds	795,000	870,000	940,000
Loans Payable	<u>1,832,161</u>	<u>2,075,377</u>	<u>2,308,051</u>
Net Debt Issued	<u>42,672,161</u>	<u>42,623,377</u>	<u>45,388,051</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>5,713,066</u>	<u>6,197,331</u>	<u>682,362</u>
Total Authorized But Not Issued	<u>5,713,066</u>	<u>6,197,331</u>	<u>682,362</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes	<u>2,822,527</u>	<u>3,147,527</u>	<u>1,388,909</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$45,562,700</u>	<u>\$45,673,181</u>	<u>\$44,681,504</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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 1.211% for 2022.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$25,035,000	\$25,035,000	\$0
General Debt	47,590,227	2,027,527	45,562,700
Marina Utility Debt	<u>795,000</u>	<u>795,000</u>	<u>0</u>
	<u>\$73,420,227</u>	<u>\$27,857,527</u>	<u>\$45,562,700</u>

Net debt of \$45,562,700 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,763,155,955 equals 1.211% for 2022.

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 1.214% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$25,945,000	\$25,945,000	\$0
General Debt	47,950,708	2,277,527	45,673,181
Marina Utility Debt	<u>870,000</u>	<u>870,000</u>	<u>0</u>
	<u>\$74,765,708</u>	<u>\$29,092,527</u>	<u>\$45,673,181</u>

Net debt of \$45,673,181 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$3,763,155,955 equals 1.214% for 2021.

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

	<u>2022</u>	<u>2021</u>
3 ½% of equalized valuation basis (municipal)	\$132,001,754	\$131,710,458
Net Debt	<u>45,562,700</u>	<u>45,673,181</u>
Remaining borrowing power	<u>\$86,439,054</u>	<u>\$86,037,277</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2022</u>	<u>2021</u>
Cash receipts from fees, rents or other charges for year	\$581,890	\$551,756
Deductions:		
Operating and Maintenance Cost	426,218	345,050
Debt Service Per Marina Utility	<u>100,000</u>	<u>107,530</u>
Total Deductions	<u>526,218</u>	<u>452,580</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$55,672</u>	<u>\$99,176</u>

The Borough's long-term debt consisted of the following at December 31, 2022.

Paid by Current Fund:

	<u>2022</u>	<u>2021</u>
\$11,085,000 General Serial Bonds - with an interest rate of 2.00 to 3.125% issued July 15, 2015, due through July 15, 2031	\$6,885,000	\$7,635,000
\$3,285,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued October 31, 2016, due through August 15, 2024	1,875,000	2,805,000
\$27,240,000 General Improvement Bonds - with interest rate of 1.00% to 4.00%, issued July 9, 2019, due through February 15, 2034	<u>23,485,000</u>	<u>24,970,000</u>
	<u>\$32,245,000</u>	<u>\$35,410,000</u>

Green Acres Loan - Paid by Current Fund

The Borough has three outstanding loan agreements with the New Jersey Green Acres Bond Act of 1983 for the 2008 Veteran Field Improvements Project, 2018 Veterans Field Improvements (A) Project, and the 2018 Veterans Field Improvements (B) Project.

	<u>2022</u>	<u>2021</u>
The 2008 Veterans Field Improvements Project award is at a rate of 2.00% in the amount of \$400,000 with semi-annual loan payments of various amounts made on September 14 and March 14 through September 14, 2027	\$117,792	\$139,976
The 2018 Veterans Field Improvements Project (A) award is at a rate of 2.00% in the amount of \$315,500 with semi-annual loan payments of various amounts made on April 9 and October 9 through April 9, 2038	260,364	274,562
The 2018 Veterans Field Improvements Project (B) award is at a rate of 2.00% in the amount of \$741,655 with semi-annual loan payments of various amounts made on April 9 and October 9 through April 9, 2038	<u>612,044</u>	<u>645,420</u>
	<u>\$990,200</u>	<u>\$1,059,958</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Wastewater Treatment Loans - Paid by Current Fund

The Borough has five outstanding loan agreements with the New Jersey Environmental Infrastructure Trust for financing relating to improvements to the Wastewater Treatment Plants.

	<u>2022</u>	<u>2021</u>
\$615,000 Separation of Combined Sewers - Trust Share - with an interest rate 3.40% to 5.00%, issued November 8, 2008, due through August 1, 2027	\$190,000	\$225,000
\$1,736,481 Separation of Combined Sewers - Fund Share - at a zero rate of interest issued November 8, 2008, due through August 1, 2027	328,430	422,384
\$170,000 Sewer Repairs - Trust Share - with an interest rate 3.50% to 5.00%, issued March 10, 2010, due through August 1, 2029	71,000	81,000
\$521,250 Sewer Repairs - Fund Share - at a zero rate of interest issued March 10, 2010, due through August 1, 2029	185,531	212,035
\$245,000 Sanitary Sewer Repairs - Trust Share - with an interest rate 3.40% to 5.00%, issued December 1, 2010, due through August 1, 2030	<u>67,000</u>	<u>75,000</u>
	<u>\$841,961</u>	<u>\$1,015,419</u>
 Paid by Marina Utility Fund:		
	<u>2022</u>	<u>2021</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	\$795,000	\$870,000
Total Marina Utility Bonds	<u>\$795,000</u>	<u>\$870,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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:

<u>Year</u>	<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>	
2023	\$3,245,000	\$1,013,312	\$169,808	\$15,515	\$71,161	\$19,305	\$4,534,101
2024	3,370,000	870,113	166,704	12,965	72,591	17,872	4,510,245
2025	2,470,000	761,113	176,546	10,415	74,050	16,410	3,508,534
2026	2,545,000	668,563	141,388	7,655	75,538	14,918	3,453,062
2027	2,620,000	572,963	84,505	4,895	77,057	13,396	3,372,816
2028-2032	13,485,000	1,410,250	103,010	4,045	279,033	48,820	15,330,158
2033-2037	4,510,000	56,450			308,227	19,539	4,894,216
2038					32,543	325	32,868
	<u>\$32,245,000</u>	<u>\$5,352,764</u>	<u>\$841,961</u>	<u>\$55,490</u>	<u>\$990,200</u>	<u>\$150,585</u>	<u>\$39,636,000</u>

<u>Marina Utility Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$80,000	\$29,000	\$109,000
2024	85,000	25,700	110,700
2025	90,000	22,200	112,200
2026	90,000	18,600	108,600
2027	100,000	14,800	114,800
2028-2030	<u>350,000</u>	<u>18,400</u>	<u>368,400</u>
	<u>\$795,000</u>	<u>\$128,700</u>	<u>\$923,700</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, 2022 and 2021, the Borough had authorized but not issued debt as follows:

	<u>2022</u>	<u>2021</u>
General Capital Fund	\$5,713,066	\$6,197,331
Marina Utility Capital Fund	-0-	-0-

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(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, 2022 and 2021, the Borough had \$7,800,000 and \$4,268,000, 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, 2022 and 2021.

<u>2022</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Fidelity	\$	\$7,800,000	\$	\$7,800,000
Oppenheimer & Co., Inc.	<u>4,268,000</u>		<u>4,268,000</u>	<u>4,268,000</u>
	<u>\$4,268,000</u>	<u>\$7,800,000</u>	<u>\$4,268,000</u>	<u>\$7,800,000</u>
<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Piper Sandler & Co.	\$3,660,000	\$	\$3,660,000	\$0
Oppenheimer & Co., Inc,		<u>4,268,000</u>		<u>4,268,000</u>
	<u>\$3,660,000</u>	<u>\$4,268,000</u>	<u>\$3,660,000</u>	<u>\$4,268,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance Dec.31, 2022</u>	<u>2023 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
<u>Current Fund</u>			
Special Emergency Authorizations - N.J.S.A. 40A:4-53:			
Reassessment	\$150,000	\$50,000	\$100,000
COVID-19 Revenue Losses	<u>915,660</u>	<u>228,915</u>	<u>686,745</u>
Total Current Fund	<u>\$1,065,660</u>	<u>\$278,915</u>	<u>\$786,745</u>
<u>Marina Utility Operating Fund</u>			
Deficit in Operations	\$5,000	\$5,000	\$ -0-
Total Marina Utility Operating Fund	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$ -0-</u>
	<u>Balance Dec.31, 2021</u>	<u>2022 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
<u>Current Fund</u>			
Special Emergency Authorizations - N.J.S.A. 40A:4-53:			
Reassessment	\$200,000	\$50,000	\$150,000
COVID-19 Revenue Losses	<u>1,144,575</u>	<u>228,915</u>	<u>915,660</u>
Total Current Fund	<u>\$1,344,575</u>	<u>\$278,915</u>	<u>\$1,065,660</u>
<u>Marina Utility Operating Fund</u>			
Deficit Operations	\$5,500	\$5,500	\$ -0-
Total Marina Utility Operating Fund	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$ -0-</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2022 which has been appropriated as revenue in the 2023 budget is as follows:

Current Fund	\$4,270,000
Marina Utility	158,000

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. At December 31, 2022 and 2021, the Borough estimated the current cost of such unpaid compensation to approximate \$1,692,486 and \$1,609,033, 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, 2022 and 2021, \$-0- of the Borough's bank balance of \$23,052,649 and \$21,662,886, 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, 2022 and 2021
(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, 2022 and 2021 amounted to \$1,337,090 and \$1,446,153, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fixed Account Plus	\$644,489	\$632,321
Money Market I Fund	238,026	180,557
Stock Index Fund	348,536	434,220
All Others	<u>106,039</u>	<u>199,055</u>
Total	<u>\$1,337,090</u>	<u>\$1,446,153</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2022 and 2021.

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land and Improvements	\$38,559,415	\$539,303	\$	\$39,098,718
Buildings and Improvements	11,455,033	2,422,172		13,877,205
Machinery and Equipment	<u>13,191,416</u>	<u>625,540</u>	<u>28,398</u>	<u>13,788,558</u>
	<u>\$63,205,864</u>	<u>\$3,587,015</u>	<u>\$28,398</u>	<u>\$66,764,481</u>
	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land and Improvements	\$38,555,565	\$3,850	\$	\$38,559,415
Buildings and Improvements	\$11,411,173	43,860		\$11,455,033
Machinery and Equipment	<u>12,632,935</u>	<u>594,556</u>	<u>36,075</u>	<u>13,191,416</u>
	<u>\$62,599,673</u>	<u>\$642,266</u>	<u>\$36,075</u>	<u>\$63,205,864</u>

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2022 consist of the following:

\$25,233	Due to the Current Fund from the Other Trust Fund for interest earnings.
52	Due to the Other Trust Fund from the Current Fund - POAA for deposits made.
515	Due to the Other Trust Fund from the Current Fund - Fire Prevention Dedicated Penalties for dedicated payments not turned over.
75	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
640	Due to the Other Trust Fund from the Current 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.
5,000	Due to the Current Fund from the Marina Utility Operating Fund to cover Debt Service Payment.
88	Due to the Current Fund from the Payroll Account for interest earnings.
1,960,651	Due to the Federal and State Grant Fund from Current Fund to reimburse for grant expenditures incurred less grants received.
19,999	Due to the Current Fund from the General Capital Fund for grants received and interest earnings.
<u>32,214</u>	Due to the General Capital Fund from the Bergen County CDA Trust Fund for funds received and not transferred.
<u>\$2,048,217</u>	

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 11. 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 SBJIF 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, 2022 and 2021
(continued)

NOTE 12. 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, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Prepaid Taxes	<u>\$658,235</u>	<u>\$554,132</u>
Cash Liability for Taxes Collected in Advance	<u>\$658,235</u>	<u>\$554,132</u>

NOTE 13. LITIGATION

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

1. Borough of Edgewater vs. Waterside Construction et al

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 13. LITIGATION, (continued)

Various tax appeal cases were also pending at December 31, 2022. 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 14. 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 15. 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, 2022 and 2021
(continued)

NOTE 15. 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, 2021, the Borough had a liability of \$50,734,328 for its OPEB liability. The OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date. The liability is broken out as follows:

Actives	\$33,010,230
Retirees	<u>17,724,098</u>
Total	<u>\$50,734,328</u>

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

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$2,311,733. At December 31, 2021, the Borough reported deferred outflows of resources of \$5,488,713 and \$(5,010,721) of deferred inflows of resources related to OPEB.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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 50 and the average age of the retiree population is 77.

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, 2020 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, 2020 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	2.12% Based on the Bond Buyer 20 Index December 31, 2020 2.06% Based on the Bond Buyer 20 Index December 31, 2021

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

6. CPI Increase	2.50%
7. Rate of Salary Increase	2.50%
8. Medical Trend	Medical: 5.50% in 2021, reducing by 0.20% per annum, leveling at 4.50% per annum in 2026 Drug: 7.00% in 2021, reducing by 0.5% per annum to 2022, leveling at 4.50% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
9. Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Changes in Net OPEB Liability FYE 2021

The Net OPEB Liability as of December 31, 2021 is \$50,734,328 based upon a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021. There are no plan assets to offset the liability.

Total GASB #75 Expense for FYE 2021

A) GASB #75 Regular Expense

Service Cost	\$948,685
Interest Cost	1,176,652
Recognition of Assumption Changes	<u>186,396</u>

GASB #75 Annual OPEB Expense Recognized \$2,311,733

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>1.06%</u>	At Current Rate <u>2.06%</u>	1% Increase <u>3.06%</u>
Borough's Total OPEB Liability	\$58,952,195	\$50,734,328	\$44,998,364

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 15. 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>1.06%</u>	<u>Rate 2.06%</u>	<u>3.06%</u>
Borough's Total OPEB Liability	\$46,276,867	\$50,734,328	\$57,761,442

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, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. 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, 2022 and 2021
(continued)

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$6,745,234 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(335,779).

NOTE 16. OTHER MATTERS

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 \$1,398,790 which will be available for use until December 31, 2024.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through June 20, 2023, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF EDGEWATER

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax rate	1.612	2.253	1.945
Apportionment of tax rate:			
Local school	0.745	1.095	0.789
County	0.234	0.331	0.340
Municipal	0.603	0.787	0.771
Library	0.030	0.040	0.045

Assessed valuation:

2022	\$ 4,074,161,912
2021	2,985,547,360
2020	2,964,012,792

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>
2022	\$ 65,696,750	64,663,600	98.43%
2021	67,377,061	65,749,131	97.58%
2020	58,116,660	55,724,389	95.88%

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>
2022	\$ 73,074	726,459	799,533	1.22%
2021	70,777	1,622,793	1,693,570	2.51%
2020	90,592	2,016,702	2,107,294	3.63%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2022 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, 2022, 2021 and 2020 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2022	\$	3,844,775
2021		3,844,775
2020		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, 2022	8,870,277	4,270,000
	Dec. 31, 2021	7,077,574	3,500,000
	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
Marina Utility:	Dec. 31, 2022	646,944	158,000
	Dec. 31, 2021	723,011	165,500
	Dec. 31, 2020	805,301	186,352
	Dec. 31, 2019	830,301	25,000
	Dec. 31, 2018	688,797	

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		
Donald A. Martin	Council President		
Anthony Bartolomeo	Councilman		
Vincent Monte	Councilman		
Jose Luis Vidal	Councilman		
Dolores Lawlor	Councilwoman		
Rinaldy Gutierrez	Councilman		
Gregory Franz	Administrator/Acting CFO		
Michael Neglia	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/Treasurer	\$ 1,000,000	(A)
Anna Marie O'Connor	Borough Clerk		

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

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

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	Adjustments	Cumulative Grant Expenditures
Federal and State Grant Funds:										
<u>Department of Housing and Urban Development (passed through County of Bergen):</u>										
Community Development Block Grant:										
Handicapped Accessible Doors at Borough Hall	14.218	B-17-JC-34-0100		N/A	N/A	17,000			17,000	8,559
										8,559
Hurricane Sandy CDBG-DR	14.269	B-13-D8-34-0001	22-8022-100-004	1/1/2017	12/31/2017	51,106				94,925
Hurricane Sandy CDBG-DR	14.269	B-13-D8-34-0001	22-8022-100-004	1/1/2016	12/31/2016	100,000				94,925
										94,925
<u>U.S. Department of Transportation (Passed Through NJ DOT):</u>										
Impaired Driving Countermeasure	20.601	18X204100NJ		1/1/2019	12/31/2019	4,400				
<u>National Priority Safety Program (Distraction Driving):</u>										
National Priority Safety Program (Distraction Driving)	20.616	18X20405ENJ17		1/1/2022	12/31/2022	6,189	6,189			
National Priority Safety Program (Distraction Driving)	20.616	69A3751930000405DNIL	066-1160-100-157	1/1/2019	12/31/2019	5,500				
National Priority Safety Program (DDEF)	20.616			1/1/2017	12/31/2017	5,500	6,189			
<u>U.S. Department of Health and Human Services:</u>										
National Optic Settlement	93.788			1/1/2022	12/31/2022	11,239	11,236			
<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>										
Assistance to Firefighters Grant	97.042			1/1/2020	12/31/2020	27,115				27,115
										27,115
Assistance to Firefighters Grant	97.044	DEIS-22-GFD-044-00-598		1/1/2022	12/31/2022	14,286	14,286			
										14,286
<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
<u>Department of Treasury:</u>										
American Rescue Plan	21.027	022-2021-8030-100-687	n/a	1/1/2021	12/30/2023	1,398,790	699,395			699,395
										699,395
Subtotal Federal and State Grant Fund						719,870	719,870		17,000	1,064,969

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	Grant Period	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
				From	To				
General Capital Funds:									
Department of Housing and Urban Development (passed through County of Bergen):									
Community Development Block Grant:									
Handicapped Accessible Curb Ramps - Ord. 1517	14.218	B-17-UC-34-0100	21-213-745-155-43-66	N/A	N/A				67,177
Orchard Street Imps. - Ord. 2021-03	14.218	B-21-UC-34-0100	21-213-751-15-543-66	N/A	N/A				44,175
North Street Roadway Imps. - Ord. 22-04	14.218	B-22-UC-34-0100	21-213-752-155-43-66	N/A	N/A		75,000		75,000
							75,000		186,352
U.S. Department of Homeland Security									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
4021 Public Assistance - Hurricane Irene	97.036	4021DRNIP0000001		N/A	N/A				217,808
PA-02-NJ-4021-PW-01332 - Ord. 1484									217,808
							75,000		404,160
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	4021DRNIP0000001		N/A	N/A		68		542,655
							68		542,655
						719,870	75,068	17,000	2,011,784
Subtotal Marina Utility Capital Fund									
Total Federal Awards - All Funds									

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, 2022

State Funding Department	State Grant Account #	From	To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Federal and State Grant Fund: Department of Environmental Protection, Clean Communities Program	4900-765-042-4900-004-V42Y	1/1/2022	12/31/2022	24,746 \$	24,746			8,389
	4900-765-042-4900-004-V42Y	1/1/2021	12/31/2021	21,842				18,865
	4900-765-042-4900-004-V42Y	1/1/2020	12/31/2020	20,507				16,367
	4900-765-042-4900-004-V42Y	1/1/2019	12/31/2019	22,740				1,125
	4900-765-042-4900-004-V42Y	1/1/2018	12/31/2018	20,381		1,125		22,850
	4900-765-042-4900-004-V42Y	1/1/2017	12/31/2017	21,286		20,725		67,596
	4900-752-042-4900-001-V42Y	1/1/2022	12/31/2022	155,820	155,820			30,000
	4900-752-042-4900-001-V42Y	1/1/2021	12/31/2021	30,281				6,769
	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	53,051					
4900-752-042-4900-001-V42Y	1/1/2016	12/31/2016	13,105					
4900-752-042-4900-001-V42Y	1/1/2014	12/31/2014	14,345				250	
4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011	12,464					
4900-752-042-4900-001-V42Y	1/1/2010	12/31/2010	37,800					
4900-752-042-4900-001-V42Y	1/1/2009	12/31/2009	7,876					
4900-752-042-4900-001-V42Y	1/1/2008	12/31/2008	6,340				37,019	
Administrative Office of the Courts Alcohol Education Rehabilitation Fund	9735-760-098-9900-001-X100	1/1/2022	12/31/2022	2,843	2,843			
	9735-760-098-9900-001-X100	1/1/2021	12/31/2021	682				
	9735-760-098-9900-001-X100	1/1/2020	12/31/2020	2,120				
	9735-760-098-9900-001-X100	1/1/2019	12/31/2019	1,286				
	9735-760-098-9900-001-X100	1/1/2018	12/31/2018	2,272				
	9735-760-098-9900-001-X100	1/1/2017	12/31/2017	1,673				431
	9735-760-098-9900-001-X100	1/1/2016	12/31/2016	1,148				
	9735-760-098-9900-001-X100	1/1/2015	12/31/2015	2,180				
	9735-760-098-9900-001-X100	1/1/2014	12/31/2014	1,950				904
	9735-760-098-9900-001-X100	1/1/2011	12/31/2011	1,355				1,355
Department of Law & Public Safety Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2022	12/31/2022	4,168	4,168			
	1020-718-066-1020-001-YCJS	1/1/2021	12/31/2021	8,302				
	1020-718-066-1020-001-YCJS	1/1/2019	12/31/2019	3,018				
Department of Law & Public Safety Body Armor Grant	1020-718-066-1020-001-YCJS	1/1/2016	12/31/2016	2,906				
	1020-718-066-1020-001-YCJS	1/1/2015	12/31/2015	3,026				
	1020-718-066-1020-001-YCJS	1/1/2013	12/31/2013	3,687				
	1020-718-066-1020-001-YCJS	1/1/2011	12/31/2011	3,108				
	1020-718-066-1020-001-YCJS	1/1/2009	12/31/2009	3,108				
Recy-Wom Camera Grant Program	BFY21-100-066-1020-495	1/1/2021	12/31/2025	105,976	73,368	47,548		47,548
Department of State (passed through County of Bergen) Census Grant	DO5020CS-NP	1/1/2020	12/31/2020	2,810				2,810
								2,810

BOROUGH OF EDGEWATER

**Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2022**

State Funding Department	State Grant Account #	From	To	Grant Award	Grant Receipts	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Federal and State Grant Fund:								
Department of Treasury (passed through County of Bergen)								
Municipal Alliance on Alcoholism and Drug Abuse	100-082-2000-044-995120	7/1/2022	6/30/2023	3,380				
	100-082-2000-044-995120	7/1/2021	6/30/2022	4,307				
	100-082-2000-044-995120	7/1/2020	6/30/2021	3,579			3,579	
	100-082-2000-044-995120	7/1/2019	6/30/2020	9,876				1,320
	100-082-2000-044-995120	7/1/2018	6/30/2019	9,876				
	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	7,087	1,155		2,413
	100-082-2000-044-995120	1/1/2015	12/31/2015	9,692	7,087	715		15,221
	100-082-2000-044-995120	1/1/2012	12/31/2012	20,868	7,087	1,850	3,579	18,954
Subtotal Federal and State Grant Fund								
					268,032	71,248	3,579	175,282
General Capital Fund:								
Department of Transportation - State Aid Highway Projects								
Highway Planning and Construction								
Undercliff Avenue, Section III - Ord. 1550		2016		155,500				145,730
Undercliff Avenue, Section IV - Ord. 1550		2017		165,627				165,627
Winterburn Place - Ord. 2020-08		2020		207,000				
Undercliff Avenue - Ord. 2020-08		2020		186,000				
Myrtle Avenue - Ord. 2021-45		2021		210,000		23,704		210,000
Old River Road Imp. Project - Ord. 2022-13		2022		201,000		23,704		521,357
Department of Environmental Protection								
Old Borough Hall Park Imps. - Ord. 2021-07		2021		115,000				
Department of Parks, Recreation, Historic & Cultural Affairs								
Community Development Block Grant								
Old Borough Hall - Ord. 2021-07	2100035	2021		354,957				
Memorial Park Imps. - Ord. 2021-07	03-200-56-150-910	2021		34,620				
Acquisition of 1531 & 1541 River Road - Ord. 2021-07	2100015	2021		122,500				
Subtotal General Capital Fund								
					268,032	94,952	3,579	696,639
Total State Financial Assistance - All Funds								
Other Financial Assistance:								
County of Bergen (passed through Bergen County Open Space/Historic Preservation Trust)								
Venezar'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	N/A	22,280				
New Jersey Opioid Settlement								
	N/A	N/A	N/A	11,239	11,239			
					11,239			
Total Other Financial Assistance								
					11,239			52,474
Total State and Other Financial Assistance								
					\$ 279,271	94,952	3,579	749,115

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, 2022

		Current <u>Fund</u>
Balance - December 31, 2021		\$ 12,296,051
Increased by Receipts:		
Revenue Accounts Receivable	\$ 4,369,994	
Miscellaneous Revenues Not Anticipated	784,233	
Taxes Receivable	65,720,887	
Prepaid Taxes	658,235	
Tax Overpayments	80,785	
Senior Citizens and Veterans	11,475	
Tax Title Lien Premiums	459,200	
Interfunds	949,663	
Marriage License Fees Payable	900	
Various Reserves	<u>40,245</u>	
		<u>73,075,617</u>
		85,371,668
Decreased by Disbursements:		
2021 Budget Appropriations	28,960,913	
2020 Appropriation Reserves	747,029	
Tax Overpayment Refunds	111,251	
Local District School Tax	30,399,838	
County Taxes	9,499,497	
County Added/Omitted	13,939	
Marriage License Fees Payable	1,250	
Tax Title Lien Premiums Redeemed	127,200	
Refunds	16,057	
Interfunds	552,871	
Various Reserves	<u>637,542</u>	
		<u>71,067,387</u>
Balance - December 31, 2022		\$ <u><u>14,304,281</u></u>

BOROUGH OF EDGEWATER

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	2022 Levy	Added 2022 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2022
				2021	2022				
2021	<u>1,622,793</u>				<u>1,622,793</u>				
	<u>1,622,793</u>				<u>1,622,793</u>				
2022		<u>65,675,490</u>	<u>21,260</u>	<u>554,131</u>	<u>64,098,094</u>	<u>11,375</u>	<u>2,297</u>	<u>304,394</u>	<u>726,459</u>
	<u>\$ 1,622,793</u>	<u>65,675,490</u>	<u>21,260</u>	<u>554,131</u>	<u>65,720,887</u>	<u>11,375</u>	<u>2,297</u>	<u>304,394</u>	<u>726,459</u>

Analysis of 2022 Tax Levy

Tax Yield:	
General Property Tax	65,675,490
Added Tax (R.S. 54:4-63.1 et seq.)	<u>21,260</u>
	<u>\$ 65,696,750</u>

Tax Levy:	
Local District School Tax	\$ 30,334,445
County Tax	\$ 9,499,497
County Added and Omitted Taxes	<u>3,086</u>
	<u>9,502,583</u>
	39,837,028

Local Tax for Municipal Purpose	25,841,548
Additional Taxes	<u>18,174</u>
	<u>25,859,722</u>
	<u>\$ 65,696,750</u>

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	70,777
Increased by:		
Transferred from 2021 Taxes		<u>2,297</u>
Balance - December 31, 2022	\$	<u><u>73,074</u></u>

BOROUGH OF EDGEWATER
Schedule of Revenue Accounts Receivable
Current Fund
Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Accrued in 2022	Collected	Balance, Dec. 31, <u>2022</u>
Clerk:				
Licenses:				
Other	\$	61,287	61,287	
Fees and Permits		404,926	404,926	
Construction Code Official-Fees and Permits	212,198	883,233	885,356	210,075
Municipal Court Fines and Costs	10,550	115,116	121,304	4,362
Interest and Cost on Taxes		263,575	263,575	
Interest on Investments		52,491	52,491	
Consolidated Municipal Property Tax Relief		17,446	17,446	
Energy Receipts Tax		733,285	733,285	
Uniform Fire Safety		29,614	29,614	
Commercial Sewer Fees	6,321	327,714	307,400	26,635
General Capital Fund Balance		405,000	405,000	
Reserve for Payment of Debt		250,000	250,000	
Hotel Tax		508,231	508,231	
Pilot Payments - Waterford Towers		365,727	365,727	
	<u>\$ 229,069</u>	<u>4,417,645</u>	<u>4,405,642</u>	<u>241,072</u>
		Interfunds	35,648	
		Cash	<u>4,369,994</u>	
		\$	<u>4,405,642</u>	

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

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	36,213
Increased by:		
Senior Citizens' and Veterans' Deductions		
per Tax Billings	\$	11,250
Allowed by Tax Collector		<u>125</u>
		<u>11,375</u>
		47,588
Decreased by:		
Cash Received		<u>11,475</u>
Balance - December 31, 2022	\$	<u><u>36,113</u></u>

Schedule of Local District School Tax Payable / (Receivable)

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	65,400
Increased by:		
2022 Tax Levy		<u>30,334,445</u>
		30,399,845
Decreased by:		
Cash Disbursements		<u>30,399,838</u>
Balance - December 31, 2022	\$	<u><u>7</u></u>

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2022

Increased by:		
County Tax Levy	\$	9,499,497
Decreased by:		
Cash Disbursements	\$	9,499,497

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2022

Balance - December 31, 2021		\$ 13,939
Increased by:		
Added and Omitted Taxes		3,086
Decreased by:		17,025
Cash Disbursements		13,939
Balance - December 31, 2022	\$	3,086

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 5,279	5,279		5,279
Mayor and Council	93	93		93
Elections	1,942	1,942		1,942
Collection of Taxes	3,297	3,297		3,297
Assessment of Taxes	7,769	7,769		7,769
Municipal Court	24,862	24,862		24,862
Planning Board	1	1		1
Zoning Board	3,769	3,769	200	3,569
Rent Leveling	435	435		435
Housing Inspector	10,000	10,000		10,000
Fire	11,316	11,316		11,316
Volunteer First Aid	1	1		1
Police	354,534	454,534	214,333	240,201
Emergency Management Services	905	905		905
Road Repairs and Maintenance	3,758	3,758		3,758
Board of Health	81,955	81,955		81,955
Recreation	179,609	179,609		179,609
Recycling Program	1,423	1,423		1,423
Uniform Construction Code	31,060	31,060		31,060
Salary and Wage Adjustment	101,247	1,247		1,247
Total Salaries and Wages Within "CAPS"	823,255	823,255	214,533	608,722
Other Expenses Within "CAPS":				
Administrative and Executive	36,812	78,280	19,824	58,456
Elections	1	1		1
Financial Administration - Audit	28,635	28,635		28,635
Financial Administration - Other Expenses	225	225		225
Collection of Taxes	4,606	4,701	144	4,557
Assessment of Taxes:				
Consultant and Legal Fees - Tax Appeals	13,127	17,028	7,237	9,791
Miscellaneous Other Expenses	14,571	14,571		14,571
Municipal Court	13,866	15,052	1,186	13,866
Legal Services	289,534	294,671	37,535	257,136

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Insurance - Hospitalization	350,478	350,478	297	350,181
Insurance - Other	8,213	8,213		8,213
Public Buildings and Grounds	31,317	105,658	93,044	12,614
Engineering	10,779	46,181	35,805	10,376
Planning Board	13,328	13,328	2,669	10,659
Zoning Board	16,452	16,452	326	16,126
Rent Leveling	9,078	9,078	2,750	6,328
Housing Inspector	3,500	3,500		3,500
Police	30,508	53,691	26,043	27,648
Police- Automobiles	32,682	32,682		32,682
Emergency Management	2,659	2,659		2,659
Fire	41,355	90,771	48,761	42,010
Fire Hydrant Service	35,165	35,165		35,165
Volunteer First Aid	30,667	36,321	5,956	30,365
Fire Prevention	7,747	16,526	5,901	10,625
Road Repairs and Maintenance	32,849	51,305	25,043	26,262
Snow Removal	30,348	51,333	50,468	865
Board of Health	62,292	62,582	290	62,292
Dog regulation	5,507	5,507		5,507
Occupational Safety Health Act	2,000	2,000		2,000
Public Assistance- Emergency Assistance	1,500	1,500		1,500
Parks and Playgrounds	17,325	21,664	5,385	16,279
Recreation	120,860	95,705	8,786	86,919
Senior Citizens Committee	854	1,304	440	864
Garbage and Trash Removal	105,568	156,534	96,616	59,918
Uniform Construction Code	39,626	40,404	888	39,516
Gas and Electric	119,342	119,342	20,755	98,587
Street Lighting	36,453	36,453	16,097	20,356
Telephone	13,253	13,253	1,925	11,328
Water	22,255	22,255		22,255
Fuel	29,251	41,958	18,325	23,633
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>1,669,588</u>	<u>2,001,966</u>	<u>532,496</u>	<u>1,469,470</u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Social Security (O.A.S.I.)	22,438	22,438		22,438
Unemployment Insurance	4,532	4,532		4,532
Public Employee's Retirement System	<u>51,473</u>	<u>51,473</u>		<u>51,473</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>78,443</u>	<u>78,443</u>		<u>78,443</u>
 Total Reserves Within "CAPS"	 <u>2,571,286</u>	 <u>2,903,664</u>	 <u>747,029</u>	 <u>2,156,635</u>
 Other Expenses Excluded From "CAPS":				
LOSAP	5,800	5,800		5,800
Bergen County Utilities Authority - Share of Costs	1	1		1
Maintenance of Free Public Library	<u>93,776</u>	<u>93,776</u>	<u>93,776</u>	
Total Other Expenses Excluded from "CAPS"	<u>99,577</u>	<u>99,577</u>	<u>93,776</u>	<u>5,801</u>
 Total Reserves	 <u>\$ 2,670,863</u>	 <u>3,003,241</u>	 <u>840,805</u>	 <u>2,162,436</u>
 Appropriation Reserves		2,662,474		
Encumbrances		<u>340,767</u>		
		<u>\$ 3,003,241</u>		
 Cash Disbursements			747,029	
Transferred to Amount due to Library			<u>93,776</u>	
			<u>\$ 840,805</u>	

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 5,279	5,279		5,279
Mayor and Council	93	93		93
Elections	1,942	1,942		1,942
Collection of Taxes	3,297	3,297		3,297
Assessment of Taxes	7,769	7,769		7,769
Municipal Court	24,862	24,862		24,862
Planning Board	1	1		1
Zoning Board	3,769	3,769	200	3,569
Rent Leveling	435	435		435
Housing Inspector	10,000	10,000		10,000
Fire	11,316	11,316		11,316
Volunteer First Aid	1	1		1
Police	354,534	454,534	214,333	240,201
Emergency Management Services	905	905		905
Road Repairs and Maintenance	3,758	3,758		3,758
Board of Health	81,955	81,955		81,955
Public Assistance				
Recreation	179,609	179,609		179,609
Recycling Program	1,423	1,423		1,423
Uniform Construction Code	31,060	31,060		31,060
Salary and Wage Adjustment	101,247	1,247		1,247
Total Salaries and Wages Within "CAPS"	<u>823,255</u>	<u>823,255</u>	<u>214,533</u>	<u>608,722</u>
Other Expenses Within "CAPS":				
Administrative and Executive	36,812	78,280	19,824	58,456
Elections	1	1		1
Financial Administration - Audit	28,635	28,635		28,635
Financial Administration - Other Expenses	225	225		225
Collection of Taxes	4,606	4,701	144	4,557
Assessment of Taxes:				
Consultant and Legal Fees - Tax Appeals	13,127	17,028	7,237	9,791
Miscellaneous Other Expenses	14,571	14,571		14,571
Municipal Court	13,866	15,052	1,186	13,866
Legal Services	289,534	294,671	37,535	257,136

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Insurance - Hospitalization	350,478	350,478	297	350,181
Insurance - Other	8,213	8,213		8,213
Public Buildings and Grounds	31,317	105,658	93,044	12,614
Engineering	10,779	46,181	35,805	10,376
Planning Board	13,328	13,328	2,669	10,659
Zoning Board	16,452	16,452	326	16,126
Rent Leveling	9,078	9,078	2,750	6,328
Housing Inspector	3,500	3,500		3,500
Police	30,508	53,691	26,043	27,648
Police- Automobiles	32,682	32,682		32,682
Emergency Management	2,659	2,659		2,659
Fire	41,355	90,771	48,761	42,010
Fire Hydrant Service	35,165	35,165		35,165
Volunteer First Aid	30,667	36,321	5,956	30,365
Fire Prevention	7,747	16,526	5,901	10,625
Road Repairs and Maintenance	32,849	51,305	25,043	26,262
Snow Removal	30,348	51,333	50,468	865
Board of Health	62,292	62,582	290	62,292
Dog regulation	5,507	5,507		5,507
Occupational Safety Health Act	2,000	2,000		2,000
Public Assistance- Emergency Assistance	1,500	1,500		1,500
Parks and Playgrounds	17,325	21,664	5,385	16,279
Recreation	120,860	95,705	8,786	86,919
Celebration of Public Events				
Senior Citizens Committee	854	1,304	440	864
Garbage and Trash Removal	105,568	156,534	96,616	59,918
Uniform Construction Code	39,626	40,404	888	39,516
Gas and Electric	119,342	119,342	20,755	98,587
Street Lighting	36,453	36,453	16,097	20,356
Telephone	13,253	13,253	1,925	11,328
Water	22,255	22,255		22,255
Fuel	29,251	41,958	18,325	23,633
Reassessment of Real Property				
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>1,669,588</u>	<u>2,001,966</u>	<u>532,496</u>	<u>1,469,470</u>

BOROUGH OF EDGEWATER
Schedule of Appropriation Reserves
Current Fund
For the Year Ending December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	22,438	22,438		22,438
Unemployment Insurance	4,532	4,532		4,532
Public Employee's Retirement System	51,473	51,473		51,473
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>78,443</u>	<u>78,443</u>		<u>78,443</u>
Total Reserves Within "CAPS"	<u>2,571,286</u>	<u>2,903,664</u>	<u>747,029</u>	<u>2,156,635</u>
Other Expenses Excluded From "CAPS":				
LOSAP	5,800	5,800		5,800
Bergen County Utilities Authority - Share of Costs	1	1		1
Maintenance of Free Public Library	93,776	93,776	93,776	
Total Other Expenses Excluded from "CAPS"	<u>99,577</u>	<u>99,577</u>	<u>93,776</u>	<u>5,801</u>
Total Reserves	<u>\$ 2,670,863</u>	<u>3,003,241</u>	<u>840,805</u>	<u>2,162,436</u>
		Appropriation Reserves 2,662,474		
		Encumbrances <u>340,767</u>		
		<u>\$ 3,003,241</u>		
		Cash Disbursements 747,029		
		Transferred to Amount due to Library <u>93,776</u>		
		<u>\$ 840,805</u>		

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	340,767
Increased by:		
Encumbrances		472,487
		813,254
Decreased by:		
Transferred to Appropriation Reserves		340,767
Balance - December 31, 2022	\$	472,487

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	36,430
Increased by:		
Cash Receipts	\$	80,785
Transfer from Reserve for Tax Appeals		1,342
		82,127
		118,557
Decreased by:		
Overpayments Refunded		111,251
Balance - December 31, 2022	\$	7,306

Exhibit A-15

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	554,131
Increased by:		
Prepaid Taxes Collected		<u>658,235</u>
		1,212,366
Decreased by:		
Taxes Realized as Revenue		<u>554,131</u>
Balance - December 31, 2022	\$	<u><u>658,235</u></u>

Exhibit A-16

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

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	350
Increased by:		
Cash Receipts		<u>900</u>
Decreased by:		
Cash Disbursements	\$	<u><u>1,250</u></u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$ <u>3,844,775</u>
Balance - December 31, 2022	\$ <u><u>3,844,775</u></u>

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

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$ 238,000
Increased by:	
Premiums Collected	<u>459,200</u>
	697,200
Decreased by:	
Refunded	\$ 127,200
Prior Year Refund Canceled	<u>4,000</u>
	<u>131,200</u>
Balance - December 31, 2022	\$ <u><u>566,000</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2022

<u>Fund</u>	Due from/(to) Balance Dec. 31, 2021	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, 2022
Escrow Trust Fund	\$ 61	14		75
Other Trust Fund	23,146	2,088		25,234
Other Trust Fund - Fire Prevention Dedicated Penalties	(250)	250	515	(515)
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
Payroll Fund		88		88
Marina Utility Operating Fund	20,158	5,000	20,158	5,000
Federal and State Grant Fund	(1,037,262)	71,248	994,637	(1,960,651)
General Capital Fund	(480,547)	514,782	14,236	19,999
	<u>\$ (1,471,685)</u>	<u>593,519</u>	<u>1,029,546</u>	<u>(1,907,712)</u>
<u>Analysis</u>				
Due to Current Fund	\$ 47,115	41,428	34,397	54,146
Due From Current Fund	(1,518,800)	552,091	995,149	(1,961,858)
	<u>\$ (1,471,685)</u>	<u>593,519</u>	<u>1,029,546</u>	<u>(1,907,712)</u>
Interest on Investments			\$ 14,156	
Budget Offsets			65,727	
Cash Receipts			949,663	
Reimbursement for Expenses Paid		5,000		
Anticipated Revenue		35,648		
Cash Disbursements		552,871		
		<u>\$ 593,519</u>	<u>1,029,546</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2022

	Balance Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2022</u>
Reserve for:				
Binghamton Ferryboat Removal	\$ 100,000			100,000
Playgrounds	2,481			2,481
Due to Library	467,060	93,776	467,060	93,776
Tax Appeals	406,480	100,000	171,824	334,656
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
Municipal Relief Fund		39,161		39,161
Municipal Liens		1,084		1,084
	<u>\$ 1,147,486</u>	<u>234,021</u>	<u>638,884</u>	<u>742,623</u>
		Receipts \$ 40,245		
		Transfer from Current Appropriation 100,000		
		Transfer from Appropriation Reserves 93,776		
		Transfer from/to Tax Overpayments 1,342		
		Disbursements <u>637,542</u>		
		<u>\$ 234,021</u>	<u>638,884</u>	

BOROUGH OF EDGEWATER

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2022

Balance - December 31, 2021 \$ 21,937

Balance - December 31, 2022 \$ 21,937

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2022

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Reduced in 2022 Budget</u>	<u>Balance, Dec. 31, 2022</u>
July 20, 2020	Ord. 2020-04: Reassessment of Real Property	7/20/20	50,000	\$ 200,000	50,000	150,000
November 16, 2020	COVID-19 Revenue Losses	11/16/20	228,915	1,144,575	228,915	915,660
				<u>\$ 1,344,575.00</u>	<u>278,915</u>	<u>\$ 1,065,660</u>

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2022

<u>Purpose</u>	Balance, Dec. 31, <u>2021</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2022</u>
Municipal Alliance - 2013	\$ 9,692		7,087	2,605
Municipal Alliance - 2019	9,498			9,498
Municipal Alliance - 2020	9,876			9,876
Municipal Alliance - 2022	4,507			4,507
Municipal Alliance - 2023		4,507		4,507
Port Security - 2016	35,650			35,650
CDBG	17,000			17,000
Alcohol Education and Rehabilitation		682	682	
American Rescue Plan		699,395	699,395	
National Opioid Settlement		11,239	11,239	
Body Armor Grant		8,302	8,302	
Body-Worn Cameras	105,976		73,368	32,608
Clean Communities		24,746	24,746	
Assistance to Firefighters		14,286	14,286	
Recycling Tonnage		155,820	155,820	
	<u>\$ 192,199</u>	<u>918,977</u>	<u>994,925</u>	<u>116,251</u>
		Budget 868,706		
Appropriations by 40a:4-87		<u>50,271</u>		
		<u>\$ 918,977</u>		
		Interfunds 282,039		
Unappropriated Grant Reserves			<u>712,886</u>	
			<u>\$ 994,925</u>	

BOROUGH OF EDGEWATER
Schedule of Due from/(to) Current Fund
Federal and State Grant Fund
Year ended December 31, 2022

Balance - December 31, 2021		\$ 1,037,262
Increased by:		
Grants Receivable	\$ 282,039	
Unappropriated Grants	<u>712,596</u>	
		<u>994,635</u>
		2,031,897
Decreased by:		
Prior Year Encumbrances Paid	47,548	
Appropriated Grant Reserves	<u>23,698</u>	
		<u>71,246</u>
Balance - December 31, 2022		\$ <u><u>1,960,651</u></u>

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2022

<u>Purpose</u>	Balance, Dec. 31, 2021	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, 2022
Clean Communities - 2009	\$ 14,626		14,626	
Clean Communities - 2013	2,975		2,975	
Clean Communities - 2016	6,927		5,361	1,566
Clean Communities - 2017	6,565			6,565
Clean Communities - 2018	11,097			11,097
Clean Communities - 2019	6,373			6,373
Clean Communities - 2020	1,642			1,642
Clean Communities - 2021	13,453			13,453
Clean Communities - 2022		24,746		24,746
Municipal Alliance - 2013	714		714	
Municipal Alliance - 2014	8,414		1,136	7,278
Municipal Alliance - 2019	5,279			5,279
Municipal Alliance - 2020	9,876			9,876
Municipal Alliance - 2020 Match	2,469			2,469
Municipal Alliance - 2021	3,579			3,579
Municipal Alliance - 2021 Match	895			895
Municipal Alliance - 2022	4,507			4,507
Municipal Alliance - 2023		4,507		4,507
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
Alcohol Education and Rehabilitation - 2020	834			834
Alcohol Education and Rehabilitation - 2021		682		682
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
Body Armor Grant - 2019	3,018			3,018
Body Armor Grant - 2022		8,302		8,302
Body-Worn Cameras	58,278			58,278

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2022

<u>Purpose</u>	Balance, Dec. 31, 2021	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, 2022
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		12,861	4,647
Recycling Tonnage Grant - 2019	13,113			13,113
Recycling Tonnage Grant - 2020	281			281
Recycling Tonnage Grant - 2021		155,820		155,820
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
National Opioid Settlement		11,239		11,239
CDBG	8,441			8,441
Assistance to Firefighters		14,286	14,286	
Firehouse Grant	22,279			22,279
American Rescue Plan		699,395		699,395
Impaired Driving Countermeasure	5,500			5,500
Impaired Driving Countermeasure - 2021	4,400			4,400
Distracted Driving Incentive	5,500			5,500
	<u>\$ 412,979</u>	<u>918,977</u>	<u>176,690</u>	<u>1,155,266</u>
		Budget	868,706	
		Appropriations by 40a:4-87	<u>50,271</u>	
		\$	<u>918,977</u>	
		Interfunds \$	23,698	
		Encumbrances	<u>152,992</u>	
			<u>176,690</u>	

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2022

<u>Purpose</u>	Balance, Dec. 31, <u>2021</u>	<u>Received</u>	Appropriated in 2022 <u>Budget</u>	Balance, Dec. 31, <u>2022</u>
Municipal Alliance - 2012	\$ 2,068		2,068	
Municipal Alliance - 2015	3,331			3,331
Municipal Alliance - 2016	3,500		1,889	1,611
Municipal Alliance - 2017	551		551	
Alcohol Education and Rehabilitation Fund - 2021	682		682	
Alcohol Education and Rehabilitation Fund - 2022		2,843		2,843
Body Armor Grant - 2020	8,301		8,301	
Body Armor Grant - 2021		4,168		4,168
Distracted Driving Incentive		6,190		6,190
Post Sandy Planning Grant	51,106			51,106
American Rescue Plan	699,395	699,395	699,395	699,395
	<u>\$ 768,934</u>	<u>712,596</u>	<u>712,886</u>	<u>768,644</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2022

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2021	\$ 90	152,156	847,923	1,446,153
Increased by:				
Animal License Fees	3,831			
Due to State of New Jersey - Dog License Fees	581			
Various Reserves			68,844	
Escrow Deposits		137,920		
Interfunds		14	2,387	
Borough Contributions				66,700
Investment Income				18,094
	<u>4,412</u>	<u>137,934</u>	<u>71,231</u>	<u>84,794</u>
	<u>4,502</u>	<u>290,090</u>	<u>919,154</u>	<u>1,530,947</u>
Decreased by:				
Animal License Expenditures	3,829			
Due to State of New Jersey	577			
Escrow Expenditures		141,000		
Various Reserves			46,199	
Depreciation in Fair Value of Investments				121,465
Distributions				72,392
	<u>4,406</u>	<u>141,000</u>	<u>46,199</u>	<u>193,857</u>
Balance -December 31, 2022	\$ <u>96</u>	<u>149,090</u>	<u>872,955</u>	<u>1,337,090</u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2022

Balance - December 31, 2021		\$	74
Increased by:			
Dog license fees	\$	3,071	
Cat license fees		660	
Postage/Late fees		<u>100</u>	
			<u>3,831</u>
			3,905
Decreased by:			
Cash Disbursements			<u>3,829</u>
Balance - December 31, 2022		\$	<u><u>76</u></u>

<u>License Fees Collected</u>		
2020		3,922
2021		<u>3,678</u>
	\$	<u><u>7,600</u></u>

Exhibit B-3

BOROUGH OF EDGEWATER
Schedule of Due to State of New Jersey-
Animal License Fees

Trust Funds

Year ended December 31, 2022

Balance - December 31, 2021	\$	16
Increased by:		
2022 Fees Collected		<u>581</u>
		597
Decreased by:		
Payments to State of New Jersey		<u>577</u>
Balance - December 31, 2022	\$	<u><u>20</u></u>

Exhibit B-4

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2022

Balance - December 31, 2021	\$	152,095
Increased by:		
Escrow Deposits		<u>137,920</u>
		290,015
Decreased by:		
Cash Disbursements		<u>141,000</u>
Balance - December 31, 2022	\$	<u><u>149,015</u></u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2022</u>
Other Trust Fund:				
Current Fund				
Fire Prevention Dedicated Penalties	\$ 250	515	250	515
POAA	52			52
Other Trust Fund	(23,146)		2,088	(25,234)
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	(61)		14	(75)
	<u>\$ (58,180)</u>	<u>515</u>	<u>2,401</u>	<u>(60,066)</u>
Due to Trust Funds	991	515	299	1,207
Due from Trust Funds	<u>(59,171)</u>		<u>2,102</u>	<u>(61,273)</u>
	<u>\$ (58,180)</u>	<u>515</u>	<u>2,401</u>	<u>(60,066)</u>
Receipts			299	
Interest on Investments	\$		2,102	
Dedicated Penalties deposited into Current Fund		<u>515</u>		
		<u>\$ 515</u>	<u>2,401</u>	

BOROUGH OF EDGEWATER

Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2022</u>
Reserve for:				
Cemetery Bequests	\$ 6,189	8		6,197
Bullet Proof Vests	5,019	3	2,848	2,174
Ferry Performance Security	195,447			195,447
Fire Prevention	7,263	540		7,803
Cultural and Historical Society	1,152			1,152
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	61,353	1,231		62,584
Recycling Fees - Other Trust	17,100	3,718	3,590	17,228
Recycling Fees	46,778	19,900	9,460	57,218
Bergen County CDA Trust	102			102
Flexible Spending Trust	46,435	10,742	13,326	43,851
Municipal Alliance Trust	8,373	343	4,570	4,146
POAA	13,007	840	389	13,458
Shade Tree	12,010	2,633	888	13,755
Police Confiscated	3,957	2,401	2,400	3,958
Snow Removal	33,422	27,000	8,728	51,694
	<u>\$ 789,804</u>	<u>69,359</u>	<u>46,199</u>	<u>812,964</u>
		Interfunds 515		
		Cash Receipts 68,844		
		Cash Disbursements	46,199	
		<u>\$ 69,359</u>	<u>46,199</u>	

Exhibit B-7

BOROUGH OF EDGEWATER

Statement of Service Award Contributions Receivable

Emergency Services Length of Service Award Program

Year ended December 31, 2022

Balance - December 31, 2021	\$	66,700
Increased by:		
2022 Borough Contribution		<u>52,900</u>
		119,600
Decreased by:		
2021 Borough Contribution Received		<u>66,700</u>
Balance - December 31, 2022	\$	<u><u>52,900</u></u>

Exhibit B-8

Statement of Net Assets Available for Benefits

Emergency Services Length of Service Award Program

Year ended December 31, 2022

Balance - December 31, 2021	\$	1,512,853
Increased by:		
Borough Contributions	\$	52,900
Investment Income		<u>18,094</u>
		<u>70,994</u>
		1,583,847
Decreased by:		
Depreciation in Fair Value of Investments	\$	121,465
Distributions		72,392
		<u>193,857</u>
Balance - December 31, 2022	\$	<u><u>1,389,990</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2022

Balance - December 31, 2021		\$	6,725,362
Increased by Receipts:			
Reserve for Green Acres	\$	3,884	
Interfunds		514,782	
Voided Check		1,989	
Note Sale Proceeds		7,800,000	
Premium on Sale of Notes		<u>20,675</u>	
			<u>8,341,330</u>
			15,066,692
Decreased by Disbursements:			
Improvement Authorizations		3,731,995	
Bond Anticipation Notes		4,119,235	
Fund Balance - Budget Revenue Realized		405,000	
Reserve for Payment of Debt		250,000	
Interfunds		<u>42,286</u>	
			<u>8,548,516</u>
Balance - December 31, 2022		\$	<u><u>6,518,176</u></u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2022

Grants Receivable -	
New Jersey Department of Transportation	\$ (484,973)
New Jersey Department of Environmental Protection	(115,000)
Community Development Block Grant	(227,907)
Federal Emergency Management Agency	(7,336)
Bergen County Open Space/Historical Preservation	(512,057)
Interfunds Receivable	(32,214)
Interfunds Payable	19,999
Capital Improvement Fund	1,640,388
Reserve for Green Acres	23,862
Reserve for Payment of Debt	2,027,527
Unappropriated State Grant	79,408
Reserve for Grants Receivable	1,325,172
Fund Balance	21,352

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	13,847
4	Improvements to Veteran's Field	650,997
1517	Improvements to Undercliff Avenue	24,841
1525	Acquisition of Fire Truck	2,801
1538/1561/2018-14	Historic Borough Hall Improvements, Phase III	90,675
1544	Imps. To Old River Road - Phase III	6,840
1550/2018-3	Various Acquisitions and Improvements	529,758
2018-15/2019- 10/2020-09/2021-13	Various Acquisitions and Improvements	(57,649)
2019-12	Historic Borough Hall Improvements, Phase IV	725,921
2020-07	911 System	249,500
2020-08	2020 Road Restoration Project	(126,227)
2021-03	Imps. To Orchard St. & Myrtle Avenue	125,355
2021-07	Various Acquisitions and Improvements	2,505,606
2021-11/2022-15	Reconstruction of Retaining Wall	(1,200,335)
2022-02	Acq. of Land - 1531/1541 River Rd & 300 Old River Rd	(49,640)
2022-04	North Street Roadway Improvements	(97,049)
2022-05	Record Scanning & Imaging Project	(66,439)
2022-12	Veteran's Field Playground Imps.	(368,986)
2022-13	Old River Road Imp. Project	(1,306)
2022-19	Various Acquisitions and Improvements	54,058
		<u>\$ 6,518,176</u>

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2022

Balance - December 31, 2021		\$	37,485,376
Decreased by:			
Infrastructure Loan Payments	\$	173,458	
Green Trust Loan Payments		69,758	
Budget Appropriation to Pay Serial Bonds		<u>3,165,000</u>	
			<u>3,408,216</u>
Balance - December 31, 2022		\$	<u><u>34,077,160</u></u>

BOROUGH OF EDGEWATER

Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	2022 Authorizations	Decreased	Balance, Dec. 31, 2022	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
		\$						
1357	Acquisition of Municipal Complex/Police Station	252,613			252,613	62,000	252,613	99,500
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500			510
1474/1514	Improvements to Veteran's Field	510			510			2,726
1534	Imps. To Veteran's Field - Amend 1474/1514/1519	2,726			2,726			
1538/1561/2018-14	Historic Borough Hall Improvements - Phase III	247,081		8,518	238,563	238,482		81
1550/2018-3	Various Acquisitions and Improvements	1,266,327		70,510	1,195,817	1,187,390		8,427
2018-15/2019-10/2020-09/2021-13	Various Acquisitions and Improvements	1,287,250		69,737	1,217,513	1,000,363	57,649	159,501
2019-11	Acquisition of Property	190,000			190,000	190,000		
2019-12	Historic Borough Hall Improvements - Phase IV	950,000			950,000	950,000		
2020-08	2020 Road Restoration Project	198,105			198,105		126,228	71,877
2021-03	Imps. To Orchard St & Myrtle Avenue	491,325			491,325	491,000		325
2021-07/2021-10	Various Acquisitions and Improvements	4,277,894	71,250		4,277,894	3,680,765		597,129
2021-11/2022-015	Reconstruction of Retaining Wall	1,140,000			1,211,250		1,200,334	10,916
2022-002	Acq. of Land - 1531/1541 River Rd & 300 Old River Rd		304,000		304,000		49,640	254,360
2022-004	North Street Roadway Improvements		156,750		156,750		97,049	59,701
2022-005	-Record Seanning & Imaging Project		118,750		118,750		66,439	52,311
2022-012	Veteran's Field Playground Imps.		627,000		627,000		368,986	258,014
2022-013	Old River Road Imp. Project		888,000		888,000		1,306	886,694
2022-019	Various Acquisitions and Improvements		1,030,750		1,030,750			1,030,750
		\$ 10,465,331	3,196,500	148,765	13,513,066	7,800,000	2,220,244	3,492,822
	2022 Improvement Authorizations \$		3,196,500					
	Improvement Authorizations - Unfunded \$							7,483,983

Less: Unexpended Proceeds of
Bond Anticipation Notes

Ord. 1460	13,847
Ord. 1538/1561/2018-14	90,675
Ord. 1550/2018-3	529,757
Ord. 2019-12	725,921
Ord. 2021-03	125,355
Ord. 2021-07/2021-10	2,505,606
	<u>3,991,161</u>

\$

3,492,822

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	283,973
Increased by:		
Unappropriated Grant Awards		201,000
Balance - December 31, 2022	\$	484,973

<u>Analysis of Balance</u>		
Ord. 1550 - Undercliff Avenue - Section 3		14,765
Ord. 2020-08 - Undercliff Avenue		166,105
Ord. 2021-03 - Imps. To Myrtle Avenue		103,103
Ord. 2022-13 - Old River Road Imps.		201,000
	\$	484,973

Schedule of Grants Receivable -
New Jersey Department of Environmental Protection
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	115,000
Balance - December 31, 2022	\$	115,000

<u>Analysis of Balance</u>		
Ord. 2021-07 - Imps. To Old Borough Hall Park		115,000
	\$	115,000

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$ 152,907
Increased by:	
Unappropriated Grant Awards	<u>75,000</u>
Balance - December 31, 2022	<u>\$ 227,907</u>

Analysis of Balance

Ord. 1517 - Undercliff Avenue Imps. - (Pal. Terrace to Archer/Myrtle)	72,907
Ord. 2021-03 - Orchard Street Imps.	80,000
Ord. 2022-04 - North Street Imps.	<u>75,000</u>
	<u>\$ 227,907</u>

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

General Capital Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$ <u>7,336</u>
Balance - December 31, 2022	<u>\$ 7,336</u>

BOROUGH OF EDGEWATER
**Schedule of Bergen County Open Space/
Historical Preservation Grant Receivables**
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	512,057
Balance - December 31, 2022	\$	<u>512,057</u>
<u>Analysis of Balance</u>		
Ord. 2021-07 - Imps. To Old Borough Hall		354,937
Ord. 2021-07 - Imps. To Memorial Park		34,620
Ord. 2021-07 - Acq. Of 1531 & 1541 River Rd.		<u>122,500</u>
	\$	<u>512,057</u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2022

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ 480,547	14,236	514,782	(19,999)
Marina Utility Operating Fund	(28,050)	28,050		
Other Trust Fund	32,214			32,214
	<u>\$ 484,711</u>	<u>42,286</u>	<u>514,782</u>	<u>12,215</u>
Due to General Capital Fund	512,761		480,547	32,214
Due from General Capital Fund	(28,050)	42,286	34,235	(19,999)
	<u>\$ 484,711</u>	<u>42,286</u>	<u>514,782</u>	<u>12,215</u>
			Cash Receipts \$ 481,324	
		Cash Disbursements 28,050		
		Interest on Investments 14,156	33,458	
		Bank Service Charge 80		
		<u>\$ 42,286</u>	<u>514,782</u>	

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2021	Balance, Dec. 31, 2022
			Date	Amount			
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	615,000	Aug. 1, 2023	35,000	4.25%	225,000	190,000
			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%		
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	1,736,481	Feb. 1, 2023	8,638		422,384	328,430
			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					
							93,954

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2021	Balance, Dec. 31, 2022
			Date	Amount			
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	170,000	Aug. 1, 2023	10,000	4.00%	81,000	71,000
			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, 2023	8,835		212,035	185,531
			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				
						26,504	

BOROUGH OF EDGEWATER
 Schedule of Green Trust Loans Payable

General Capital Fund
 Year ended December 31, 2022

Funnels	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022						
			Date	Amount										
2008 Veterans Field Improvements	Sept. 14, 2008	400,000	Mar. 14, 2023	11,259	2.00%	139,976	22,184	117,792						
			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%									
			2018 Veterans Field Improvements (A)	July 9, 2018	315,500				Apr. 9, 2023	7,206	2.00%	274,562	14,198	260,364
									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%												
Apr. 9, 2036	9,333	2.00%												
Oct. 9, 2036	9,427	2.00%												
Apr. 9, 2037	9,521	2.00%												
Oct. 9, 2037	9,616	2.00%												
Apr. 9, 2038	9,712	2.00%												

BOROUGH OF EDGEWATER
 Schedule of Green Trust Loans Payable
 General Capital Fund
 Year ended December 31, 2022

Range	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
2018 Veterans Field Improvements (B)	July 9, 2018	741,655	Apr. 9, 2023	16,939	2.00%	645,420	33,376	612,044
			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	17,802	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%			
			Oct. 9, 2032	20,464	2.00%			
		Apr. 9, 2033	20,669	2.00%				
		Oct. 9, 2033	20,875	2.00%				
		Apr. 9, 2034	21,084	2.00%				
		Oct. 9, 2034	21,293	2.00%				
		Apr. 9, 2035	21,508	2.00%				
		Oct. 9, 2035	21,723	2.00%				
		Apr. 9, 2036	21,940	2.00%				
		Oct. 9, 2036	22,159	2.00%				
		Apr. 9, 2037	22,381	2.00%				
		Oct. 9, 2037	22,605	2.00%				
		Apr. 9, 2038	22,831	2.00%				
						\$ 1,059,958	69,758	990,200

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
General Obligation Bonds	Jul. 15, 2015	11,085,000	Jul. 15, 2023	750,000	3.000%	7,635,000	750,000	6,885,000
			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, 2023	920,000	4.000%	2,805,000	930,000	1,875,000
			Aug. 15, 2024	955,000	4.000%			

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
General Obligation Bonds	July 9, 2019	27,240,000	Feb. 15, 2023	1,575,000	4.000%	24,970,000	1,485,000	23,485,000
			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%			
							<u>\$ 35,410,000</u>	<u>3,165,000</u>

Paid via Budget Appropriation \$ 3,165,000

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Increased by:	Decreased by:	Balance, Dec. 31, 2022
1460	Improvements to the DPW and Community Center Parking Lots	July 16, 2020	July 14, 2022	July 14, 2023	2.00%	62,000	62,000	62,000	62,000
1561	Historic Borough Hall Improvements - Phase III	July 18, 2019	July 14, 2022	July 14, 2023	2.00%	95,000	91,724	95,000	91,724
2018-3	Various Acquisitions and Improvements (Amend Ord. 1550)	July 18, 2019	July 14, 2022	July 14, 2023	2.00%	1,257,900	1,187,390	1,257,900	1,187,390
2018-14	Amend 1538/1561: Historic Borough Hall Improvements - Phase III	July 18, 2019	July 14, 2022	July 14, 2023	2.00%	152,000	146,758	152,000	146,758
2018-15	Various Acquisitions and Improvements	July 18, 2019	July 14, 2022	July 14, 2023	2.00%	820,100	750,363	820,100	750,363
2019-10	Amend 2018-15: Various Acquisitions and Improvements	July 16, 2020	July 14, 2022	July 14, 2023	2.00%	133,000	133,000	133,000	133,000
2019-11	Acquisition of Property	July 16, 2020	July 14, 2022	July 14, 2023	2.00%	190,000	190,000	190,000	190,000
2019-12	Historic Borough Hall Improvements - Phase IV	July 16, 2020	July 14, 2022	July 14, 2023	2.00%	950,000	950,000	950,000	950,000
2020-09	Supplemental to 2018-15 & 2019-10	July 15, 2021	July 14, 2022	July 14, 2023	2.00%	117,000	117,000	117,000	117,000
2021-03	Imps. to Orchard Street & Myrtle Avenue	July 15, 2021	July 14, 2022	July 14, 2023	2.00%	491,000	491,000	491,000	491,000
2021-07	Various Improvements	July 14, 2021	July 14, 2022	July 14, 2023	2.00%	491,000	3,680,765	491,000	3,680,765
						\$ 4,268,000	7,800,000	4,268,000	7,800,000
						Cash	3,680,765		
						Renewed	4,119,235	4,119,235	
						Budget Appropriation		148,765	
						\$	7,800,000	4,268,000	3,680,765

BOROUGH OF EDGEWATER
Schedule of Reserve for Payment of Debt
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	2,277,527
Decreased by:		
Disbursement - Current Fund Revenue Anticipated		250,000
Balance - December 31, 2022	\$	2,027,527

Analysis of Balance

Ord. 1226, 1272, 1327	183,407
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. 1464	33
Ord. 1474/1514/1519/1534	316,947
Ord. 1517 - Undercliff Avenue Imps	3
Ord. 1544	146,025
Ord. 2018-03	215,000
Ord. 2021-03	106,897
	\$ 2,027,527

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$ 19,978
Increased by:	
Interest Earned on Investments	<u>3,884</u>
Balance - December 31, 2022	<u>\$ 23,862</u>

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$ 1,761,888
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>121,500</u>
Balance - December 31, 2022	<u>\$ 1,640,388</u>

BOROUGH OF EDGEWATER
Schedule of Improvement Authorizations
General Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2021		2022 Authorizations		Balance, Dec. 31, 2022	
				Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
1460	Imps. to the DPW and Community Center Parking Lots	Oct. 17, 2011	170,000	113,347				113,347	
1474/1514/1519/1534	Improvements to Veteran's Field	May 24, 2012	9,700,000	932,516	3,236			650,997	3,236
1517	Improvements to Undercliff Avenue	Apr. 24, 2015	225,000	24,841				24,841	
1525	Acquisition of a Fire Truck	Sept. 14, 2015	550,000	2,801				2,801	
1538/1561/2018-14	Historic Borough Hall Improvements - Phase 3	Oct. 17, 2016	1,500,000	96,306				96,306	
1544	Improvements to River Road, Phase III	Apr. 17, 2017	185,000	6,840				6,840	
1550/2018-3	Various Acquisitions and Improvements	Sept. 18, 2017	1,050,000	571,355				571,355	
2018-15/2019-10/2020-09/2021-13	Various Acquisitions and Improvements	Sept. 10, 2018	865,000	362,715				362,715	
2019-11	Acquisition of Property	Dec. 16, 2019	200,000						
2019-12	Historic Borough Hall Improvements - Phase IV	Dec. 16, 2019	1,000,000	825,399				825,399	
2020-07	911 System	Aug. 17, 2020	250,000	249,500				249,500	
2020-08	2020 Road Restoration Project	Oct. 5, 2020	425,000	85,825				85,825	
2021-03	Imps. To Orchard St. & Myrtle Avenue	Apr. 9, 2021	500,000	194,052				194,052	
2021-07/2021-10	Various Acquisitions and Improvements	Jun. 21, 2021	3,903,047	4,252,004				4,252,004	
2021-11/2022-015	Reconstruction of Retaining Wall	Nov. 15, 2021	1,200,000	1,140,000		75,000		1,140,000	75,000
2022-002	Acq. of Land - 1551/1541 River Rd & 300 Old River Rd	Nov. 21, 2022	75,000						
2022-004	North Street Roadway Improvements	Mar. 21, 2022	320,000			320,000			320,000
2022-005	Record Scanning & Imaging Project	Mar. 21, 2022	165,000			165,000			165,000
2022-012	Veteran's Field Playground Imps.	Apr. 18, 2022	125,000			125,000			125,000
2022-013	Old River Road Imp. Project	Aug. 22, 2022	660,000			660,000			660,000
2022-019	Various Acquisitions and Improvements	Aug. 22, 2022	888,000			888,000			888,000
		Dec. 12, 2022	1,085,000			1,085,000			1,085,000
			\$ 1,240,787	7,644,239		3,318,000		989,037	7,483,983

Capital Improvement Fund	121,500
Deferred Charges Unfunded	3,196,500
	\$ 3,318,000
Cash Disbursements	3,731,995
Contra's/Voided Checks	(1,989)
	\$ 3,730,006

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	79,408
Balance - December 31, 2022	\$	79,408

Schedule of Reserve for Grant Receivables
General Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	1,049,172
Increased by:		
Unappropriated Grant Awards		276,000
Balance - December 31, 2022	\$	1,325,172

<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)	166,105
CDBG (Ord. 2021-03)	80,000
DOT (Ord. 2021-03)	103,103
CY17 Bergen Co. Open Space Trust (Ord. 2021-07)	230,000
CY18 Bergen Co. Open Space Trust (Memorial Park Imps.) (Ord. 2021-07)	34,620
CY20 Bergen Co. Open Space Trust (Ord. 2021-07)	124,937
Bergen Co. Open Space Trust (Acq. of 1531 & 1541 River Rd.) (Ord. 2021-07)	122,500
NJ DEP Green Acres (Old Borough Hall Imps.) (Ord. 2021-07)	115,000
CDBG (North Street Roadway Imps.) (Ord. 2022-04)	75,000
DOT (Old River Road Imps.) (Ord. 2022-13)	201,000
	\$ 1,325,172

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Decreased by:</u>	<u>Balance, Dec. 31, 2022</u>
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613			252,613
1460	Imps. to DPW and Community Center Parking Lots	99,500			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
1550	Various Acquisitions and Improvements	8,427			8,427
2018-15/2019-10	Various Acquisitions and Improvements	1,650			1,650
2020-08	2020 Road Restoration Project	198,105			198,105
2020-09	Amend 2018-15/2019-10: Various Acquisitions & Improvements	1,750			1,750
2021-03	Imps. To Orchard St. & Myrtle Avenue	325			325
2021-07/2021-10	Various Acquisitions and Improvements	4,277,894		3,680,765	597,129
2021-11	Reconstruction of Retaining Wall	1,140,000			1,140,000
2021-13	Amend 2018-15/2019-10/2020-09: Various Acq. & Imps.	213,750			213,750
2022-02	Acquisition of Land, 2/4&5 and 2/6		304,000		304,000
2022-04	North Street Roadway Imps.		156,750		156,750
2022-05	Record Scanning & Imaging Project		118,750		118,750
2022-12	Veteran's Field Playground Imps.		627,000		627,000
2022-13	Old River Road Imp. Project		888,000		888,000
2022-15	Amend 2021-011, Oakdene Terrace Retaining Wall		71,250		71,250
2022-19	Various Acquisitions & Improvements		1,030,750		1,030,750
		<u>\$ 6,197,331</u>	<u>3,196,500</u>	<u>3,680,765</u>	<u>5,713,066</u>
	2022 Improvement Authorizations \$		<u>3,196,500</u>		
				Notes Issued \$	<u>3,680,765</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Collector-Treasurer

Marina Utility Operating Fund

Year ended December 31, 2022

Balance - December 31, 2021		\$	736,151
Cash Receipts:			
Membership/Slip Rentals	\$	323,294	
2023 Prepaid Slip Rental Revenue		13,335	
Interest on Investments		3,483	
Miscellaneous Revenue Not Anticipated		1,655	
Interfund		<u>28,050</u>	
			<u>369,817</u>
			1,105,968
Cash Disbursements:			
2022 Appropriations	\$	328,749	
Appropriation Reserves		25,085	
Accrued Interest		27,100	
Interfund		<u>20,158</u>	
			<u>401,092</u>
Balance - December 31, 2022		\$	<u><u>704,876</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$ 37,015
Cash Disbursements:	
Improvement Authorizations	<u>66</u>
Balance - December 31, 2022	<u>\$ 36,949</u>

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2022

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

Improvement Authorizations:

Ordinance

<u>number</u>	<u>Improvement Description</u>	
1465	Acquisition of Marina Dredging Equipment	30,823
1467	Dredging of the Marina	202,439
2017-1551/		
2018-004	Various Marina Improvements	<u>19,498</u>
		<u>\$ 36,949</u>

BOROUGH OF EDGEWATER
Schedule of Interfunds Receivable/(Payable)
Marina Utility Operating Fund
Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2022</u>
Current Fund	\$ (20,158)	20,158	5,000	(5,000)
General Capital Fund	<u>28,050</u>	<u> </u>	<u>28,050</u>	<u> </u>
	<u>\$ 7,892</u>	<u>20,158</u>	<u>33,050</u>	<u>(5,000)</u>
Due to Marina Utility Operating Fund	\$ 28,050	<u> </u>	28,050	<u> </u>
Due from Marina Utility Operating Fund	<u>(20,158)</u>	<u>20,158</u>	<u>5,000</u>	<u>(5,000)</u>
	<u>\$ 7,892</u>	<u>20,158</u>	<u>33,050</u>	<u>(5,000)</u>
			Cash Receipts \$ 28,050	
Reimbursement for Marina Bond Interest Paid			5,000	
		<u>20,158</u>		
		<u>\$ 20,158</u>	<u>33,050</u>	

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Marina Utility Operating Fund

Year ended December 31, 2022

Balance - December 31, 2021	\$	55,129
Increased by:		
Grant Awards		<u>84,218</u>
Balance - December 31, 2022	\$	<u><u>139,347</u></u>

Analysis of Balance

FY17 Port Security Grant	\$	8,937
FY18 Port Security Grant		17,208
FY19 Port Security Grant		934
FY21 Port Security Grant		28,050
FY22 Port Security Grant		<u>84,218</u>
	\$	<u><u>139,347</u></u>

BOROUGH OF EDGEWATER
Schedule of 2021 Reserves - Operating
Marina Utility Operating Fund
Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 719	719		719
Other Expenses	10,279	27,815	25,085	2,730
2021 Port Security	<u>28,050</u>	<u>28,050</u>	<u> </u>	<u>28,050</u>
	<u>\$ 39,048</u>	<u>56,584</u>	<u>25,085</u>	<u>31,499</u>
Appropriation Reserves	\$ 39,048			
Encumbrances		<u>17,536</u>		
		<u>\$ 56,584</u>		

Exhibit D-11

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	17,536
Increased by:		
Transferred from Budget		<u>12,293</u>
		29,829
Decreased by:		
Transferred to Appropriation Reserves		<u>17,536</u>
Balance - December 31, 2022	\$	<u><u>12,293</u></u>

Exhibit D-12

Schedule of Prepaid Slip Revenue
Marina Utility Operating Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	8,740
Increased by:		
2023 Slip Rental Receipts		<u>13,335</u>
		22,075
Decreased by:		
Slip Rental Realized as Revenue		<u>8,740</u>
Balance - December 31, 2022	\$	<u><u>13,335</u></u>

BOROUGH OF EDGEWATER

Schedule of Accrued Interest on Bonds

Marina Utility Operating Fund

Year ended December 31, 2022

Balance - December 31, 2021		\$ 16,337
Increased by:		
Budget Appropriation		<u>30,000</u>
		46,337
Decreased by:		
Cash Disbursements	\$ 27,100	
Due to Current Fund	5,000	
Cancelled Accrued Interest	<u>2,762</u>	
		<u>34,862</u>
Balance - December 31, 2022		<u><u>\$ 11,475</u></u>

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2022</u>	<u>Rate</u>				
Serial Bonds Payable					
795,000	4.00%	8/15/22	12/31/22	<u>12,750</u>	<u>11,475</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, 2022

Balance, Dec. 31, <u>2021</u>	Amount in 2022 <u>Budget</u>	Amount Resulting <u>from 2022</u>	Balance, Dec. 31, <u>2022</u>
\$ <u>5,500</u>	\$ <u>5,500</u>	<u>5,000</u>	\$ <u>5,000</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, 2022

Balance - December 31, 2021	\$ <u>247,943</u>
Balance - December 31, 2022	\$ <u><u>247,943</u></u>

BOROUGH OF EDGEWATER
Schedule of Fixed Capital Authorized
and Uncompleted
Marina Utility Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021 \$ 1,892,996

Balance - December 31, 2022 \$ 1,892,996

Analysis of Balance

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

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

Marina Utility Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Date	Ordinance	Amount	Balance Dec. 31, 2021		Paid or Charged	Balance Dec. 31, 2022	
					Funded	Unfunded		Funded	Unfunded
1465	Acquisition of Marina Dredging Equipment	Dec. 19, 2011		450,000 \$		30,823		202,439	30,823
1467	Dredging of the Marina	Mar. 5, 2012		742,996	202,505		66		
2017-1551/ 2018-004	Various Marina Improvements	Sept. 18, 2017		590,000		19,498			19,498
					\$ 202,505	50,321	66	202,439	50,321

BOROUGH OF EDGEWATER
Schedule of Reserve for Amortization
Marina Utility Capital Fund
Year ended December 31, 2022

Balance - December 31, 2021	\$	280,000
Increased by:		
Paydown on Bonds		75,000
Balance - December 31, 2022	\$	355,000

Schedule of Deferred Reserve for Amortization
Marina Utility Capital Fund
Year ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2021</u>	Balance Dec. 31, <u>2022</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		\$ <u>742,996</u>	<u>742,996</u>

BOROUGH OF EDGEWATER, N.J.

Schedule of Serial Bonds

Marina Utility Operating Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
General Obligation Bonds	July 9, 2019	1,050,000	Feb. 15, 2023	80,000	4.00%	\$ 870,000	75,000	795,000
			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%					
						\$ 870,000	75,000	795,000

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2022

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2021	\$ <u>4</u>	<u>2</u>	<u>6</u>
Decreased by:			
Cash Disbursement	\$ <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, 2022

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2021	\$ <u>6</u>	<u>4</u>	<u>2</u>
Decreased by:			
Cash Disbursement	\$ <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, 2022

Balance - December 31, 2021 \$ 74,501

Balance - December 31, 2022 \$ 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, 2022

Balance - December 31, 2021 \$ 74,501

Balance - December 31, 2022 \$ 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, 2022



WIELKOTZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022 and the related notes to the financial statements, and have issued our report thereon dated June 20, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

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.



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

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

Compliance and Other Matters

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

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

Purpose of this Report

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



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



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

June 20, 2023



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:

2021 Road Improvement Program
Solid Waste Collection Services

Historic Borough Hall Park and
Memorial Park Improvements

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, 2022.

"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 6, 2022 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, 2022	2
December 31, 2021	3
December 31, 2020	4

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

**BOROUGH OF EDGEWATER
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2022**

COMMENTS

Finance/Treasurer:

1. * Not all prior year interfund balances were liquidated prior to the close of the current fiscal year.
2. A review of various professional service contracts and award procedures revealed that the Borough did not properly utilize the “fair and open” process as set forth in the state’s “Pay to Play” statute (P.L. 2005, c.51)
 - a. Awarding resolutions did not contain “not to exceed” cost language as required by N.J.A.C. 5:30-5.5(b)(1).

RECOMMENDATIONS

Finance/Treasurer:

1. *That all interfunds be liquidated prior to the close of the year.
2. That the Borough comply with all Pay-to-Play Compliance Regulations when awarding a Professional Services contract.

Suggestions to Management:

That the Municipal Court require two authoring signatures on checks disbursements for stronger internal controls.

Management review Trust Funds to ensure all eligible trust reserves have State approved Dedication by Riders.

BOROUGH OF EDGEWATER

Status of Prior Year Audit Findings/Recommendations

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

Acknowledgment

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

Respectfully submitted,



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



WIELKOTZ & COMPANY, LLC
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June 20, 2023