

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2014

(With Independent Auditors' Reports Thereon)

BOROUGH OF EDGEWATER

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Edgewater in the County of Bergen, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Edgewater as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,014,606 and \$952,104 for 2014 and 2013, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.



The Honorable Mayor and
Members of the Borough Council
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Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above, with the exception of the Length of Service Award Program, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015 on our consideration of the Borough of Edgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal control over financial reporting and compliance.



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Registered Municipal Accountant
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Certified Public Accountants
Pompton Lakes, New Jersey

June 25, 2015

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2014</u>	Dec. 31, <u>2013</u>
Regular Fund:			
Cash	A-4	\$ 6,985,649	5,581,288
Petty cash		250	250
Change funds		200	200
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-8	<u>34,968</u>	<u>35,143</u>
		<u>7,021,067</u>	<u>5,616,881</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	832,290	1,349,993
Property acquired for taxes - assessed valuation	A-17	3,844,775	3,844,775
Tax title liens	A-6	47,474	52,969
Revenue accounts receivable	A-7	179,135	131,522
Interfunds receivable:			
Escrow trust fund	A-19	26	
General capital fund	A-19	<u>89,285</u>	<u>32</u>
		<u>4,992,985</u>	<u>5,379,291</u>
Deferred charges:			
Over-expenditure of Appropriations	A-3	33,392	
Emergency authorizations	A-23		290,000
Special emergency authorizations	A-24	<u>111,800</u>	<u>177,000</u>
		<u>145,192</u>	<u>467,000</u>
		<u>12,159,244</u>	<u>11,463,172</u>
State and Federal Grant Fund:			
Grants receivable	A-25	9,692	9,692
Due from Current Fund	A-22	<u>159,333</u>	<u>144,982</u>
		<u>169,025</u>	<u>154,674</u>
		<u>\$ 12,328,269</u>	<u>11,617,846</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation reserves	A-3,A-12	\$ 1,616,732	1,246,699
Encumbrances payable	A-13	196,199	165,947
County added and omitted taxes payable	A-11	48,546	12,405
Tax overpayments	A-14	61,243	57,057
Prepaid taxes	A-15	225,188	403,067
Marriage license fees payable	A-16	500	500
Reserve for tax title lien premium	A-18	300,100	327,300
Interfund Payables:			
Animal license trust fund	A-19		22
General capital fund	A-19		146,720
Parking offenses adjudication trust fund	A-19	1,042	
Fire prevention dedicated penalties trust fund	A-19	1,287	27,133
Various miscellaneous reserves	A-20	522,653	487,559
Special emergency note payable	A-21	103,800	153,000
Emergency note payable	A-21		290,000
Due to state and federal grant fund	A-22	159,333	144,982
		<u>3,236,623</u>	<u>3,462,391</u>
Reserve for receivables and other assets	A	4,992,985	
Fund balance	A-1	<u>3,929,636</u>	<u>2,621,490</u>
		<u>12,159,244</u>	<u>6,083,881</u>
State and Federal Grant Fund:			
Appropriated reserves	A-26	130,296	128,452
Unappropriated reserves	A-27	38,729	26,222
		<u>169,025</u>	<u>154,674</u>
		<u>\$ 12,328,269</u>	<u>6,238,555</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, 2014

	Dec. 31, <u>2014</u>	Dec. 31, <u>2013</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,800,000	1,730,000
Miscellaneous revenue anticipated	3,762,396	3,285,655
Receipts from delinquent taxes	1,360,385	1,000,568
Receipts from current taxes	44,555,111	41,457,817
Nonbudget revenues	869,824	976,204
Other credits to income:		
Unexpended balance of appropriation reserves	833,639	522,238
Tax overpayments cancelled		43,263
	<hr/>	<hr/>
Total revenue	53,181,355	49,015,745
Expenditures:		
Budget and emergency appropriations:		
Appropriation within "CAPS":		
Operations:		
Salaries and wages	9,140,187	8,673,372
Other expenses	7,400,887	7,463,751
Deferred charges and statutory expenditures	1,671,223	1,752,683
Appropriations excluded from "CAPS":		
Operations:		
Other expenses	3,420,456	3,390,852
Capital improvements	400,000	100,000
Municipal debt service	2,717,836	1,880,910
Deferred charges and statutory expenditures	355,200	359,000
County taxes	7,021,813	7,082,404
Due county for added taxes	48,546	12,405
Local district school taxes	17,810,065	16,154,962
Interfund advanced	88,580	
Tax appeal refunds	19,238	460,545
Refund prior year revenue	12,570	12,836
	<hr/>	<hr/>
Total expenditures	50,106,601	47,343,720
Excess in revenue	3,074,754	1,672,025
Adjustments to income before Surplus:		
Expenditures included above which are by statute deferred charges to budget of succeeding year	33,392	381,000
	<hr/>	<hr/>
Statutory Excess to Surplus	3,108,146	2,053,025
Fund balance - January 1,	2,621,490	2,298,465
	<hr/>	<hr/>
	5,729,636	4,351,490
Decreased by utilization as anticipated revenue	1,800,000	1,730,000
	<hr/>	<hr/>
Fund balance - December 31,	\$ 3,929,636	2,621,490

See accompanying notes to financial statements

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 1,800,000	1,800,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	22,000	33,288	11,288
Other	25,000	30,922	5,922
Fees and permits:			
Construction	350,000	537,815	187,815
Other	135,000	277,465	142,465
Fines and costs municipal court	250,000	264,592	14,592
Interest and costs on taxes	150,000	256,766	106,766
Interest on investments and deposits	5,800	2,915	(2,885)
Consolidated Municipal Property Tax Relief Aid	155,277	155,277	
Energy Receipts Tax	595,454	595,454	
Body Armor	3,697	3,697	
Alcohol Education and Rehabilitation	2,533	2,533	
Recycling Tonnage Grant	14,345	14,345	
Uniform Fire Safety Act	25,000	31,021	6,021
Commercial Sewer Fees	200,000	514,141	314,141
General Capital Fund Balance	300,000	300,000	
Hotel Tax	235,000	277,910	42,910
PILOT Payments - Waterview Towers	340,000	464,255	124,255
Total miscellaneous revenues	<u>2,809,106</u>	<u>3,762,396</u>	<u>953,290</u>
Receipts from delinquent taxes	<u>1,300,000</u>	<u>1,360,385</u>	<u>60,385</u>
Amount to be raised by taxes for support of municipal budget	<u>20,379,931</u>	<u>20,864,687</u>	<u>484,756</u>
Budget total	<u>\$ 26,289,037</u>	<u>27,787,468</u>	<u>1,498,431</u>
Nonbudget revenue		<u>848,212</u>	
		<u>\$ 28,635,680</u>	

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2014

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ <u>44,555,111</u>
Allocated to:	
Local district school tax	17,810,065
County taxes	<u>7,070,359</u>
	<u>24,880,424</u>
Balance for support of municipal budget appropriations	19,674,687
Reserve for uncollected taxes	<u>1,190,000</u>
	\$ <u><u>20,864,687</u></u>
Receipts from:	
Delinquent tax collections	\$ 1,349,993
Tax title liens	<u>10,392</u>
	\$ <u><u>1,360,385</u></u>

Analysis of Miscellaneous Revenue Not Anticipated

Polling Place	\$ 80
Police Fees	2,608
Ambulance Fees	204,975
Sewer Connection Fees	198,018
Offsets not applied	81,615
Parking Permits	4,180
Parking Meters	387
Advertising Fees	8,784
FEMA	242,798
Cable TV	94,388
Sale of Assets	4,650
Miscellaneous	<u>27,341</u>
	\$ <u><u>869,824</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended			Over-Expenditure
			Paid or charged	Reserved	Cancelled	
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	\$ 462,000	481,976	466,473	15,503		
Other expenses:						
Miscellaneous other expenses	214,510	217,590	201,547	16,043		
Mayor and Council- salaries and wages	58,800	58,800	58,766	34		
Elections:						
Salaries and wages	4,916	4,916	(3,350)	8,266		
Other expenses	8,400	8,400	2,574	5,826		
Financial administration:						
Annual audit	25,000	25,000	23,457	1,543		
Other expenses	50,000	55,000	55,000			
Collection of taxes:						
Salaries and wages	100,304	102,646	99,451	3,195		
Other expenses	23,000	32,100	31,171	929		
Assessment of taxes:						
Salaries and wages	54,612	54,612	54,154	458		
Other expenses:						
Consultant and legal fees-tax appeals	56,000	56,000	52,912	3,088		
Miscellaneous other expenses	14,900	15,100	15,003	97		
Legal services and costs:						
Other expenses	140,000	140,000	137,185	2,815		
Engineering service and cost:						
Miscellaneous other expenses	75,000	81,000	80,440	560		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended		Cancelled	Over-Expenditure
			Paid or charged	Reserved		
Insurance:						
Hospitalization	2,958,677	2,958,677	2,907,030	51,647		
Other Insurance	610,944	630,944	664,336			33,392
Public building and grounds:						
Other expenses	139,000	143,000	142,840	160		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and wages	7,163	7,185	7,184	1		
Other expenses	23,100	23,300	23,297	3		
Zoning Board:						
Salaries and wages	7,163	7,685	7,684	1		
Other expenses	11,500	11,500	6,795	4,705		
Rent Leveling Board:						
Salaries and wages	7,163	7,163	6,884	279		
Other expenses	11,700	12,100	12,079	21		
Housing Inspector:						
Other expenses	575	575		575		
PUBLIC SAFETY:						
Fire:						
Salaries and wages	385,271	385,271	304,503	80,768		
Other expenses	203,000	203,000	183,366	19,634		
Fire hydrant services	162,632	162,632	154,229	8,403		
Volunteer First Aid:						
Salaries and wages	273,300	273,300	242,102	31,198		
Other expenses	74,800	80,300	80,069	231		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended			Over-Expenditure
			Paid or charged	Reserved	Cancelled	
Fire Prevention:						
Other expenses	27,490	27,490	25,276	2,214		
Police:						
Salaries and wages	4,872,004	4,769,054	4,579,345	189,709		
Other expenses:						
Miscellaneous other expenses	190,623	193,261	184,232	9,029		
Automobiles	51,500	51,520	51,519	1		
Emergency management services:						
Other expenses	2,500	3,786	3,785	1		
Streets and Roads:						
Road repairs and maintenance:						
Salaries and wages	1,887,398	1,887,398	1,631,672	255,726		
Other expenses	202,840	202,840	193,615	9,225		
Snow removal - other expenses	70,500	70,500	23,492	47,008		
Health and welfare:						
Board of Health:						
Salaries and wages	125,000	125,000	121,374	3,626		
Other expenses	170,800	170,800	100,297	70,503		
Dog regulation - other expenses	4,900	4,900	1,960	2,940		
Administration of Public Assistance:						
Salaries and wages	35,000	35,000	33,595	1,405		
Other expenses:						
Operating	2,100	2,100	966	1,134		
Emergency assistance	1,500	1,500	200	1,300		
Recreation and Education:						
Parks and playgrounds - other expenses	57,000	57,000	13,914	43,086		
Recreation:						
Salaries and wages	315,945	335,945	335,014	931		
Other expenses	111,060	111,060	66,913	44,147		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended			Over-Expenditure
			Paid or charged	Reserved	Cancelled	
Celebration of public event, anniversary or holiday - other expenses	10,000	12,500	12,271	229		
Senior Citizens Committee:						
Other expenses	8,500	8,500	3,623	4,877		
Sanitation:						
Garbage and Trash removal:						
Other expenses	600,000	600,000	466,224	133,776		
Recycling Program:						
Salaries and wages	44,067	44,067	44,066	1		
Municipal Court:						
Salaries and wages	197,367	197,367	195,962	1,405		
Other expenses	8,500	9,100	9,020	80		
Occupational Safety Health Act						
Board of Health - Other Expenses	2,000	2,000	1,208	792		
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
State uniform construction code official:						
Salaries and wages	270,000	270,000	256,492	13,508		
Other expenses	78,651	78,651	51,486	27,165		
UNCLASSIFIED:						
Utilities:						
Gas & Electric	270,000	270,000	257,802	12,198		
Street Lighting	200,000	200,000	173,031	26,969		
Water	40,000	40,000	33,121	6,879		
Fuel	175,000	175,000	136,722	38,278		
Telephone	180,000	214,000	207,180	6,820		
Salary and Wage adjustment	135,000	92,802		92,802		
Total Operations within "CAPS"	16,510,675	16,502,913	15,232,558	1,303,747		33,392

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended			Over-Expenditure
			Paid or charged	Reserved	Cancelled	
Contingent	5,000	5,000		5,000		
Total Operations Including Contingent-within "CAPS"	16,515,675	16,507,913	15,232,558	1,308,747		33,392
Detail:						
Salaries & Wages	9,242,473	9,140,187	8,441,371	698,816		
Other Expenses (Including Contingent)	7,273,202	7,367,726	6,791,187	609,931		33,392
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	16,515,675	16,507,913	15,232,558	1,308,747		33,392
Prior Years Bills						
Rabner Allcorn Legal OE	2,204	2,204	2,204			
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	383,192	385,792	385,782	10		
Social Security System (O.A.S.I.)	426,849	431,849	430,840	1,009		
Consolidated Police and Firemen's Pension Fund	15,000	15,162	15,162			
Police and Firemens Retirement System	831,216	831,216	831,216			
Unemployment insurance	5,000	5,000	1,744	3,256		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,663,461	1,671,223	1,666,948	4,275		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended		Cancelled	Over-Expenditure
			Paid or charged	Reserved		
Total General Appropriations for Municipal Purposes within "CAPS"	18,179,136	18,179,136	16,899,506	1,313,022		33,392
Operations-Excluded from "CAPS"						
Maintenance of free public library	966,584	966,584	668,624	297,960		
LOSAP	83,950	83,950	78,200	5,750		
Bergen County Utilities Authority-Share of Costs -Sewer Operating	2,349,347	2,349,347	2,349,347			
Total Operations-Excluded from "CAPS"	3,399,881	3,399,881	3,096,171	303,710		
Public and Private Programs Offset with Revenues:						
Recycling Tonnage Grant	14,345	14,345	14,345			
Body Armor Replacement Grant	3,697	3,697	3,697			
Alcohol Education Rehabilitation fund	2,533	2,533	2,533			
Total Public and Private Programs Offset with Revenue	20,575	20,575	20,575			
Total Operations-Excluded from "CAPS"	3,420,456	3,420,456	3,116,746	303,710		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended			Over-Expenditure
			Paid or charged	Reserved	Cancelled	
Detail:						
Salaries and Wages	3,420,456	3,420,456	3,116,746	303,710		
Other Expenses	3,420,456	3,420,456	3,116,746	303,710		
Capital Improvements-Excluded from "CAPS"						
Capital Improvement Fund	400,000	400,000	400,000			
Total Capital Improvements Excluded from "CAPS"	400,000	400,000	400,000			
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	1,400,000	1,400,000	1,400,000			
Payment of Bond anticipation Note Principal	249,071	249,071	249,071			
Interest on Bonds	431,000	431,000	430,835		165	
Interest on Notes	260,000	260,000	259,452		548	
Green Trust Loan Program	24,874	24,874	24,874			
BCIA						
Principal	35,000	35,000	35,000			
Interest	7,300	7,300	7,255		45	
New Jersey Infrastructure Trust Loan						
Principal	271,000	271,000	260,947		10,053	
Interest	66,000	66,000	50,402		15,598	
Total Municipal Debt Service-Excluded from "CAPS"	2,744,245	2,744,245	2,717,836		26,409	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Expended		Over-Expenditure
			Paid or charged	Reserved	
Deferred Charges:					
Emergency Authorization	290,000	290,000	290,000		
Special Emergency Authorization - 5 Years	65,200	65,200	65,200		
Total Deferred Charges - Municipal -Excluded from "CAPS"	355,200	355,200	355,200		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,919,901	6,919,901	6,589,782	303,710	26,409
Subtotal General Appropriations	25,099,037	25,099,037	23,489,288	1,616,732	33,392
Reserve for Uncollected Taxes	1,190,000	1,190,000	1,190,000		
Total General Appropriations	\$ 26,289,037	26,289,037	24,679,288	1,616,732	26,409
Adopted Budget	26,289,037	26,289,037			
	\$	\$			

Analysis of Paid or Charged	
Federal and State Grant Fund	20,575
Deferred Charges	355,200
Reserve for Uncollected Taxes	1,190,000
Reserve for Encumbrances	196,199
Cash	22,917,314
	\$ 24,679,288

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Cash	B-1	\$ 87	27
Deficit in Reserve for Expenditures	B-2		5
Interfund - Due from Current Fund	B-5		22
		87	54
Escrow Trust Fund:			
Cash	B-1	187,111	127,049
Other Trust Funds:			
Cash	B-1	1,252,031	1,233,623
Due from Current Fund	B-5	2,329	27,133
		1,254,360	1,260,756
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	935,256	873,904
Contributions Receivable	B-7	79,350	78,200
		1,014,606	952,104
		\$ 2,456,164	2,339,963

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	87	
Due to State of New Jersey	B-3		54
		<u>87</u>	<u>54</u>
Escrow Trust Fund:			
Escrow Deposits	B-4	187,085	127,017
Due to Current Fund	B-5	26	32
		<u>187,111</u>	<u>127,049</u>
Other Trust Funds:			
Reserve for:			
Cemetery Bequests	B-6	31,919	31,919
Bullet Proof Vests	B-6	11,696	12,471
Ferry Performance Security	B-6	195,399	195,290
Fire Prevention	B-6	8,159	47,565
POAA	B-6	9,398	
Cultural and Historical Society	B-6	1,151	1,148
Regional Contribution Agreement	B-6	332,197	332,197
Council on Affordable Housing	B-6	486,200	502,847
Recycling Fees	B-6	167,173	125,032
Bergen County CDA Trust	B-6	100	100
Flexible Spending Trust	B-6	2,903	25
Municipal Alliance Trust	B-6	8,065	12,162
		<u>1,254,360</u>	<u>1,260,756</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	1,014,606	952,104
		<u>\$ 2,456,164</u>	<u>2,339,963</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash:			
Checking	C-2,C-3	\$ 7,158,378	7,079,876
Deferred charges to future taxation:			
Funded	C-4	14,532,442	16,257,308
Unfunded	C-5	28,975,985	25,668,420
New Jersey Infrastructure Loans Receivable	C-6	194,335	194,335
Grants Receivable:			
New Jersey Green Acres Program	C-7	382,445	382,445
New Jersey Historic Preservation Trust	C-8		406,000
New Jersey Livable Communities-Library Grant	C-9	5,375	5,375
Department of Community Affairs	C-10	30,000	
New Jersey Department of Transportation	C-11	210,239	246,375
Bergen County Open Space Trust Fund	C-12	547,141	547,141
Bergen County Historic Preservation Trust	C-13	190,750	424,000
Federal Emergency Management Agency	C-14	217,808	217,808
Community Development Block Grant	C-15	177,987	357,567
Due from Marina Utility Capital Fund	C-16	50,000	50,000
Due from Current Fund	C-17		146,720
		<u>\$ 52,672,885</u>	<u>51,983,370</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to Current Fund	C-17	89,285	
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-18	3,112,946	3,383,893
Green Trust Loan Payable	C-19	283,496	302,415
Serial bonds	C-20	10,794,000	12,194,000
Capital Leases Payable	C-21	342,000	377,000
Bond Anticipation Notes	C-22	21,584,000	20,175,000
Reserve for Payment of Debt	C-23	1,344,894	1,451,656
Reserve for Green Acres	C-24	10,783	10,484
Capital Improvement Fund	C-25	266,196	63,946
Improvement authorizations:			
Funded	C-26	1,737,118	2,046,744
Unfunded	C-26	12,202,515	10,862,285
Unappropriated State Grant	C-27	79,408	79,408
Reserve for Grants Receivable	C-28	605,891	694,471
Fund Balance	C-1	220,353	342,068
		<u>\$ 52,672,885</u>	<u>51,983,370</u>

There were \$7,437,360 and \$5,493,420 of Bonds and Notes Authorized But Not Issued December 31, 2014 and 2013 (Exhibit C-29).

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Balance - January 1,	\$ 342,068	342,068
Increased by receipts:		
Premium received on sale of Bond Anticipation Notes	<u>178,285</u>	<u> </u>
	520,353	342,068
Decreased by disbursements:		
Budget Revenue Realized	<u>300,000</u>	<u> </u>
Balance - December 31,	<u>\$ 220,353</u>	<u>342,068</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

For the Year ended December 31, 2014 and
With Comparative Analysis for Year ended December 31, 2013

<u>Assets</u>	<u>Ref.</u>	Dec 31, <u>2014</u>	Dec 31, <u>2013</u>
Operating Fund:			
Cash	D-5	359,042	242,240
Due from Marina Utility Capital Fund	D-10	<u>708</u>	<u>670</u>
Total Operating Fund		<u>359,750</u>	<u>242,910</u>
Capital Fund:			
Cash	D-6,7	40,428	40,390
Due from the Federal Emergency Management Agency	D-11	276,868	276,868
Fixed Capital Authorized and Uncompleted	D-13	<u>1,192,996</u>	<u>1,192,996</u>
Total Capital Fund		<u>1,510,292</u>	<u>1,510,254</u>
		<u>\$ 1,870,042</u>	<u>1,753,164</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

For the Year ended December 31, 2014 and
With Comparative Analysis for Year ended December 31, 2013

	<u>Ref.</u>	Dec 31, <u>2014</u>	Dec 31, <u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4, D-8	22,782	29,758
Accrued Interest on Notes	D-9	2,678	
Reserve for Encumbrances	D-14	4,253	16,672
Fund Balance	D-1	<u>330,037</u>	<u>196,480</u>
Total Operating Fund		<u>359,750</u>	<u>242,910</u>
Capital Fund:			
Interfund Payables:			
Marina Utility Operating	D-12	708	670
General Capital Fund	D-12	50,000	50,000
Improvement Authorizations:			
Funded	D-15	223,875	223,875
Unfunded	D-15	39,511	39,511
Deferred Reserve for Amortization	D-16	742,996	742,996
Bond Anticipation Notes Payable	D-17	450,000	450,000
Fund Balance	D-2	<u>3,202</u>	<u>3,202</u>
Total Capital Fund		<u>1,510,292</u>	<u>1,510,254</u>
		<u>\$ 1,870,042</u>	<u>1,753,164</u>

There were \$0 and \$0 of Bonds and Notes Authorized But Not Issued on December 31, 2014 and December 31, 2013.

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

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

Marina Utility Operating Fund

Year ended December 31, 2014

With Comparative Analysis for Year ended December 31, 2013

	<u>2014</u>	<u>2013</u>
Revenue and other income realized:		
Fund balance utilized	\$	151,795
Operating revenues	395,088	319,895
Other credits to income:		
Unexpended balance of appropriation reserves	<u>26,829</u>	<u>9,722</u>
Total income	<u>421,917</u>	<u>481,412</u>
Expenditures:		
Operations:		
Salaries and wages	155,000	139,000
Other expenses	125,000	136,400
Debt service	8,360	9,600
Deficit in prior years operations	<u> </u>	<u>7,595</u>
Total expenditures	<u>288,360</u>	<u>292,595</u>
Excess/(Deficit) in Operations	133,557	188,817
Fund balance, January 1	<u>196,480</u>	<u>159,458</u>
	330,037	348,275
Decreased by utilization as anticipated revenue	<u> </u>	<u>151,795</u>
Fund balance, December 31,	<u>\$ 330,037</u>	<u>196,480</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Marina Utility Capital Fund

Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Balance - January 1,	\$ <u>3,202</u>	<u>3,202</u>
Balance - December 31,	\$ <u><u>3,202</u></u>	<u><u>3,202</u></u>

See accompanying notes to financial statements

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (deficit)</u>
Operating Revenues:	\$		
Membership Fees/Slip Rentals	288,360	394,884	106,524
Miscellaneous	<u> </u>	<u> 204</u>	<u> 204</u>
Total Operating Revenues	<u>288,360</u>	<u>395,088</u>	<u>106,728</u>
Total Revenues	\$ <u>288,360</u>	<u>395,088</u>	<u>106,728</u>

Analysis of Operating Revenues

Cash Receipts	395,050
Due from Marina Utility Capital Fund	<u> 38</u>
	\$ <u>395,088</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2014

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operating:					
Salaries and Wages	\$ 145,000	155,000	134,704	20,296	
Other Expenses	135,000	125,000	122,514	2,486	
Debt Service:					
Interest on Notes	<u>8,360</u>	<u>8,360</u>	<u>8,360</u>		
	<u>\$ 288,360</u>	<u>288,360</u>	<u>265,578</u>	<u>22,782</u>	
			Reserve for Encumbrances	4,253	
			Accrued Interest	8,360	
			Cash Disbursed	<u>252,965</u>	
			\$	<u>265,578</u>	

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	E-1	\$ <u>33,250</u>	<u>54,223</u>
		\$ <u><u>33,250</u></u>	<u><u>54,223</u></u>
<u>Reserve</u>			
Reserve for Public Assistance		\$ <u>33,250</u>	<u>54,223</u>
		\$ <u><u>33,250</u></u>	<u><u>54,223</u></u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Sewer Facilities Grant Fund
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Grants receivable	F-1	\$ <u>74,501</u>	<u>74,501</u>
		\$ <u>74,501</u>	<u>74,501</u>
<u>Reserves</u>			
Reserves for grant expenditures	F-2	\$ <u>74,501</u>	<u>74,501</u>
		\$ <u>74,501</u>	<u>74,501</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of General Fixed Assets-Regulatory Basis
General Fixed Assets Account Group
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Land	\$ 38,383,837	38,383,837
Buildings	10,344,302	10,344,302
Vehicles and equipment	<u>11,031,826</u>	<u>10,589,459</u>
	<u>\$ 59,759,965</u>	<u>59,317,598</u>
Investment in Fixed Assets	<u>\$ 59,759,965</u>	<u>59,317,598</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2014 and 2013

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, 2014 and 2013
(continued)

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Basis of Accounting

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the year ended December 31, 2014, the Mayor and Council approved several budget transfers. During the year ended December 31, 2013, the Mayor and Council approved additional revenues and appropriations of \$24,388 in

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Basis of Accounting, (continued)

accordance with N.J.S.A. 40A:4-87 and approved an emergency authorization of \$290,000 for police - salaries and wages and a special emergency authorization of \$91,000 for the preparation of tax maps. In addition, several budget transfers were approved by the governing body.

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

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

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

No depreciation has been provided for in the financial statements.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Basis of Accounting, (continued)

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

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

Use of Estimates

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

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

Recent Accounting Pronouncements

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

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

Recent Accounting Pronouncements, (continued)

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

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

C. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Systems:

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

Police and Firemens' Retirement System (PFRS)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 2. PENSION PLANS, (continued)

Description of Systems, (continued)

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2014	\$383,192	\$831,216
December 31, 2013	397,039	880,053
December 31, 2012	410,607	822,487

Defined Contribution Retirement Program

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

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

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

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

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

The Borough currently has no employees enrolled in the DCRP.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 3. MUNICIPAL DEBT

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$12,194,000	\$	\$1,400,000	\$10,794,000	\$1,325,000
Other Liabilities:					
New Jersey Wastewater Loans	3,383,893		270,947	3,112,946	284,017
Green Acres Trust Loans	302,415		18,919	283,496	19,300
Capital Leases Payable	377,000		35,000	342,000	37,000
Compensated Absences Payable	<u>1,279,330</u>	<u>135,540</u>	<u>178,088</u>	<u>1,236,782</u>	<u> </u>
	<u>\$17,536,638</u>	<u>\$135,540</u>	<u>\$1,902,954</u>	<u>\$15,769,224</u>	<u>\$1,665,317</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued:			
General Bonds, Notes and Loans	\$32,378,000	\$32,369,000	\$32,794,000
Marina Utility Notes	450,000	450,000	450,000
Loans Payable	<u>3,396,442</u>	<u>3,686,308</u>	<u>3,979,093</u>
Net Debt Issued	<u>36,224,442</u>	<u>36,505,308</u>	<u>37,223,093</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>7,437,360</u>	<u>5,493,420</u>	<u>4,517,195</u>
Total Authorized But Not Issued	<u>7,437,360</u>	<u>5,493,420</u>	<u>4,517,195</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$43,661,802</u>	<u>\$41,998,728</u>	<u>\$41,740,288</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(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 1.417%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$31,363,000	\$31,363,000	\$0
General Debt	43,211,802	1,390,269	41,821,533
Marina Utility Debt	450,000	450,000	0
	<u>\$75,024,802</u>	<u>\$33,203,269</u>	<u>\$41,821,533</u>

Net debt of \$41,821,533 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$2,952,361,796 equals 1.417%.

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

3 ½% of equalized valuation basis (municipal)	\$103,332,663
Net Debt	41,821,533
Remaining borrowing power	<u>\$61,511,130</u>

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

Cash receipts from fees, rents or other charges for year		\$395,088
Deductions:		
Operating and Maintenance Cost	\$280,000	
Debt Service Per Marina Utility	8,360	
Total Deductions		<u>288,360</u>
Excess in Revenue - Self-Liquidating		<u>\$106,728</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long-term debt consisted of the following at December 31, 2014.

Paid by Current Fund:

	<u>2014</u>	<u>2013</u>
New Jersey Environmental Infrastructure Loans Payable Wastewater Improvements issued 2000, 2001, 2007 and 2010, due through 2030	\$3,112,946	\$3,383,893
\$2,460,000 general obligation refunding bonds with interest rates of 1.50 - 4.00% issued June 30, 2009, due through August 15, 2014		165,000
\$4,884,000 general obligation bonds with interest rates of 3.00 - 5.00% issued June 30, 2009, due through August 15, 2024	4,364,000	4,744,000
\$7,395,000 general obligation refunding bonds with interest rates 2.00 - 4.00%, issued January 25, 2012, due through June 1, 2021	6,430,000	7,285,000
Green Acres Loan issued 2008, due through 2027	<u>283,496</u>	<u>302,415</u>
	<u>\$14,190,442</u>	<u>\$15,880,308</u>

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

Year	Serial Bonds		New Jersey Environmental Infrastructure Trust Loans		Green Acres Trust Loan		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$1,325,000	\$380,210	\$284,017	\$61,569	\$19,300	\$5,574	\$2,075,670
2016	1,015,000	341,247	306,752	56,252	19,687	5,186	1,744,124
2017	1,050,000	313,660	301,823	50,175	20,083	4,790	1,740,531
2018	1,070,000	284,272	304,882	44,025	20,487	4,387	1,728,053
2019	1,105,000	245,873	313,876	37,611	20,898	3,975	1,727,233
2020-2024	5,229,000	556,482	1,028,148	113,288	110,965	13,402	7,051,285
2025-2029			553,446	36,213	72,076	2,544	664,279
2030			20,000	1,000			21,000
	<u>\$10,794,000</u>	<u>\$2,121,744</u>	<u>\$3,112,944</u>	<u>\$400,133</u>	<u>\$283,496</u>	<u>\$39,858</u>	<u>\$16,752,175</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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, 2014 and 2013, the Borough had authorized but not issued debt as follows:

	<u>2014</u>	<u>2013</u>
General Capital Fund	\$7,437,360	\$5,493,420
Marina Utility Capital Fund	-0-	-0-

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2014 and 2013, the Borough had \$21,584,000 and \$20,175,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$450,000 and \$-0-, respectively, in outstanding Water Utility Capital Bond Anticipation Notes.

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

<u>2014</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
JP Morgan Securities, LLC	\$	\$21,584,000	\$	\$21,584,000
TD Securities, LLC	<u>20,625,000</u>	<u>21,584,000</u>	<u>20,625,000</u>	<u>21,584,000</u>
	<u>\$20,625,000</u>	<u>\$21,584,000</u>	<u>\$20,625,000</u>	<u>\$21,584,000</u>
Water and Sewer Utility Capital Notes Payable:				
JP Morgan Securities, LLC	_____	<u>450,000</u>	_____	<u>450,000</u>
	<u>\$20,625,000</u>	<u>\$22,034,000</u>	<u>\$20,625,000</u>	<u>\$22,034,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

<u>2013</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
TD Securities, LLC	<u>\$20,450,000</u>	<u>\$20,625,000</u>	<u>\$20,450,000</u>	<u>\$20,625,000</u>

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance Dec.31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
Current Fund:			
Overexpenditure of Appropriation	\$33,392	\$	\$33,392
Special Emergency Authorizations:			
Reassessment of Real Property	8,000	8,000	
Termination Pay	31,000	31,000	
Preparation of Tax Maps	<u>72,800</u>	<u>18,200</u>	<u>54,600</u>
Total Current Fund	<u>\$145,192</u>	<u>\$57,200</u>	<u>\$87,992</u>

	<u>Balance Dec.31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance Succeeding Year's budget</u>
Current Fund:			
Emergency Authorization - Police Salaries and Wages	\$290,000	\$290,000	\$
Special Emergency Authorizations:			
Reassessment of Real Property	24,000	16,000	8,000
Termination Pay	62,000	31,000	31,000
Preparation of Tax Maps	<u>91,000</u>	<u>18,200</u>	<u>72,800</u>
Total Current Fund	<u>\$467,000</u>	<u>\$355,200</u>	<u>\$111,800</u>

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2014 which has been appropriated as revenue in the 2015 budget is as follows:

Current Fund	\$2,000,000
Marina Utility	-0-

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. At December 31, 2014 and 2013, the Borough estimated the current cost of such unpaid compensation to approximate \$1,236,782 and \$1,279,330, 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, 2014 and 2013, \$-0- of the Borough's bank balance of \$17,764,553 and \$16,089,723, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

Concentration of Credit Risk

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

Unaudited Investments

As more fully described in Note 15, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account for the years ended December 31, 2014 and 2013 amounted to \$935,256 and \$873,904, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Fixed Account Plus	\$626,169	\$570,523
Money Market I Fund	73,592	75,099
Stock Index Fund	184,450	177,471
All Others	<u>51,045</u>	<u>50,811</u>
Total	<u>\$935,256</u>	<u>\$873,904</u>

NOTE 9. FIXED ASSETS

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2014 consist of the following:

\$26	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
1,287	Due to the Fire Prevention Dedicated Penalties Trust Fund from the Current Fund for Dedicated Penalties deposited in error.
1,042	Due to the POAA Trust Fund from the Current Fund for deposits in error.
708	Due to the Marina Utility Fund from the Marina Utility Capital Fund for interest earned.
50,000	Due to the General Capital Fund from the Marina Utility Capital Fund for interfund advanced.
89,285	Due to the Current Fund from the General Capital Fund for proceeds from note issuance and interest earnings less reimbursements for expenditures paid.
<u>159,333</u>	Due to the Federal and State Grant Fund from the Current Fund for grant revenue collected less expenditures made.
<u>\$301,681</u>	

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

NOTE 11. CAPITAL LEASES PAYABLE

On March 15, 2003 the Borough entered into a \$1,083,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual lease payment requirements for this capital lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$56,252	\$19,687	\$75,939
2016	50,175	20,083	70,258
2017	44,025	20,487	64,512
2018	37,611	20,898	58,509
2019	113,288	110,965	224,253
2020-2021	<u>40,649</u>	<u>72,076</u>	<u>112,725</u>
	<u>\$342,000</u>	<u>\$264,196</u>	<u>\$606,196</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During 2014, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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

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

NOTE 13. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Prepaid Taxes	<u>\$225,188</u>	<u>\$403,067</u>
Cash Liability for Taxes Collected in Advance	<u>\$225,188</u>	<u>\$403,067</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 14. LITIGATION

Various tax appeal cases were pending at December 31, 2014. 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, except for the following:

1. I. Park, LLC

This appeal involves a challenge to an assessment totaling \$83,182,100 in the 2011 tax year, \$67,083,100 in 2012 and \$22,204,500 (the assessment dropped because the property was subdivided). Presently, no settlement offers have been exchanged. However, given the value of the land along River Road, I do not believe that there is a significant amount of refund exposure in this case. That being said, given the size of the assessment, it is certainly possible that a refund exceeding \$80,000 could be triggered in the event of a successful challenge in the New Jersey Tax Court.

2. Edgewater Retail Partners

This appeal involves a challenge to a commercial shopping complex located at 455 River Road, which covered the 2011-2013 tax years. During that timeframe, the property was assessed at \$124,500,500 per year. Presently, Plaintiff has put forth a settlement demand seeking an assessment reduction to \$119,000,000 for each year under appeal. If accepted, it would result in a taxpayer refund of approximately \$256,983.36. This demand notwithstanding, given the value of the land along River Road and the refusal by Plaintiff to provide any documentation to support their demand, I do not believe that this value is accurate for each year under appeal. However, it is certainly possible that a refund exceeding \$80,000 could ultimately be triggered in this case.

3. MMGK, LLC

This appeal involves the challenge of an office building located at 935 River Road, which covers the 2010-2013 tax years. The property was assessed at \$7,190,100 in the 2010 tax year, and at \$7,009,400 for each year going forward. Following an exchange of appraisal reports, the Borough's appraiser has opined that the assessment on this property can be defended. However, since the value in Plaintiff's appraisal report for the 2010-2012 tax years would trigger a taxpayer refund of \$79,370.55, there is a possibility that a refund in excess of \$80,000 could be triggered once the 2013 tax year is also included.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 14. LITIGATION, (continued)

4. WMGK, LLC

This appeal involves the challenge of an office building located at 725 River Road, and is owned by the same group that owns MMGK, LLC. This appeal also covers the 2010-2013 tax years. The property was assessed at \$8,748,500 in the year 2010 tax year, and at \$8,799,800 for each year going forward. Following an exchange of appraisal reports, the Borough's appraiser has opined that the assessment on this property can be defended. However, since the value in Plaintiff's appraisal report for the 2010-2012 tax years would trigger a taxpayer refund of \$95,442.05, there is a possibility that a refund in excess of \$80,000 could be triggered once the 2013 tax year is also included.

5. Unilever Research & Dev. Etc. By I. Park Edgewater, LLC

Docket Number: 000029-2005

This challenge involves an application for Freeze Act relief, pursuant to the provisions of N.J.S.A. 54:51A-8. By way of brief background, the litigant is I. Park Edgewater, LLC, who purchased several acres of land along River Road from Unilever Research in 2004. At the time of the purchase, Unilever had filed a long-running tax appeal against the Borough, which was in the process of settling. As part of that settlement, which covered up to the 2005 tax year, I. Park, as purchaser of the property, would fund any taxpayer refund triggered by the Unilever tax appeal settlement. However, several years after the appeal was finalized and the refund was funded by I. Park, an action was recently brought by I. Park seeking freeze act relief for the 2006 tax year.

If successful, this challenge will trigger a taxpayer refund exceeding \$40,000. However, since there are memorialized provisions by I. Park obligating themselves to fund any refund that stemmed from that appeal, I do not believe that I. Park will be entitled to a refund, even if they prevailed on the Freeze Act application. During my last telephone discussion with Plaintiff's attorney, I was told that I. Park will likely withdraw this appeal shortly.

6. RREEF Amer Reit II %E. Prop Tax 20

This appeal was filed in 2013 and contests the assessment of a commercial property valued by the Borough at \$53,000,000. Since this appeal was only recently filed, no discovery has been exchanged yet, and it is still unclear if this property has any assessment exposure. However, given the size of the assessment, there is certainly a possibility that a taxpayer refund exceeding \$80,000 could be triggered in this case.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 14. LITIGATION, (continued)

7. Edgewater Financing, LLC

This appeal challenges the assessment of the Avalon Bay apartment complex for the 2011 tax year only, which was assessed for the year at \$100,000,000. No reports have been exchanged yet. However, Plaintiff had submitted a settlement demand requesting that the assessment be reduced to \$87,460,800. If this reduction were implemented, the taxpayer refund will exceed \$80,000. However, in the absence of an appraisal report or position from the Borough's appraiser, it is unclear if the Borough has any assessment exposure. However, in light of the size of the assessment and the magnitude of the Plaintiff's settlement demand, it is possible that a taxpayer refund exceeding \$80,000 could be triggered.

8. 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. It is too early to ascertain monetary damages.

The Borough is also involved in suits in the normal course of business. These cases, if decided against the Borough, would be paid for by its insurance carrier or with funds raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

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

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

NOTE 16. OTHER POST EMPLOYMENT BENEFITS

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

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

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

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2011, and the related information for the plan, are as follows:

January 1, 2011 - Net OPEB Obligation (Initial) (NOO)	\$9,832,979
Annual Required Costs (ARC)	2,019,187
Contribution from employer and other contributing entities	<u>(957,757)</u>
December 31, 2011 - Net OPEB Obligation (NOO)	<u>\$10,894,409</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u> (Dollars in Thousands)	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$2,019,187	47.43%	\$10,894,409
2013	\$2,019,187	46.91%	\$9,832,979
2012	\$2,019,187	46.35%	\$8,760,912
2011	\$2,019,187	12.54%	\$7,677,785
2010	\$2,300,200	10.57%	\$5,911,907

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll*</u>
(Dollars in Thousands)						
12/31/11	\$-0-	\$19,134.0	\$19,134.0	0 %	N/A	N/A

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

The **Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at December 31, 2011) is \$35,732,500 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2011) is \$19,133,989 assuming no prefunding of obligations. The majority of this obligation is for current active employees.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2011 Fiscal Year Normal Cost is \$844,522 assuming no prefunding of obligations. In pension accounting, this is also known as “service cost.”

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

Assumptions

The results were calculated based upon plan provisions, as provided by the Borough of Edgewater and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the Borough of Edgewater with guidance from the GASB statement.

Demographic Assumptions

Data was provided by the Borough of Edgewater as of December 31, 2014. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

Economic Assumptions

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the “investments that are expected to be used to finance the payments of benefits”. Since the Borough of Edgewater does not currently pre-fund the retiree healthcare liabilities, the discount rate for the “no prefunding” scenario should be based on the portfolio of the Borough of Edgewater’s “general assets” used to pay these benefits. The discount rate assumption selected by the Borough is 4.50%.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is “publicly available, objective and unbiased”.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2014 and 2013
(continued)

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

The trend assumption utilizing the short-term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For medical benefits, this amount initially is at 9% and decreases to a 5.0% long-term trend rate for all medical benefits in 2020.

NOTE 17. SUBSEQUENT EVENT

The Borough has evaluated subsequent events through June 25, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF EDGEWATER

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
James F. Delaney	Mayor (1/1/14-12/15/14)		
Vincent Monte	Councilman		
Luis Vidal	Councilman		
Anthony Bartolomeo	Councilman		
Kevin Doran	Councilman		
Michael Henwood	Councilman		
David Jordan	Councilman		
Joseph Iannaconi, Jr.	Chief Financial Officer/ Collector/Tax Searcher	\$ 1,000,000	(A)
Gregory Franz	Administrator		
Neglia Engineering	Engineer		
John Candelmo	Construction Code Official/Zoning Officer		
Robert Cohan	Magistrate	\$ 1,000,000	(A)
Karen Christiano	Court Clerk	\$ 1,000,000	(A)
William Skidmore	Chief of Police		
Philip Boggia	Borough Attorney		
Laura Martin	Welfare Director		
Anna Marie O'Connor	Secretary Planning Board		
Jennifer Henry	Secretary Board of Adjustment		
Barbara Rae	Borough Clerk		

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

BOROUGH OF EDGEWATER

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax rate	1.701	1.626	1.566
Apportionment of tax rate:			
Local school	0.670	0.616	0.577
County	0.265	0.270	0.257
Municipal	0.730	0.703	0.694
Library	0.036	0.037	0.038

Assessed valuation:

2014	\$ 2,658,922,977
2013	2,624,692,915
2012	2,600,801,086

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>Cash</u> <u>Collections</u>	Percentage of <u>Collections</u>
2014	\$ 45,533,292	44,555,111	97.85%
2013	42,813,002	41,457,817	96.83%
2012	40,750,330	39,680,168	97.37%

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</u> <u>tax title</u> <u>liens</u>	<u>Amount of</u> <u>delinquent</u> <u>taxes</u>	<u>Total</u> <u>delinquent</u>	Percentage of <u>tax levy</u>
2014	\$	47,474	832,290	879,764	1.93%
2013		52,969	1,349,993	1,402,962	3.28%
2012		48,046	1,000,299	1,048,345	2.57%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2014 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, 2014, 2013 and 2012 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 3,844,775
2013	3,844,775
2012	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, 2014	\$ 3,929,636	2,000,000
	Dec. 31, 2013	2,621,490	1,800,000
	Dec. 31, 2012	2,298,465	1,730,000
	Dec. 31, 2011	2,180,856	1,600,000
	Dec. 31, 2010	1,688,876	1,585,000
Marina Utility:	Dec. 31, 2014	330,037	-
	Dec. 31, 2013	196,480	-
	Dec. 31, 2012	159,458	151,795
	Dec. 31, 2011	259,458	100,000
	Dec. 31, 2010	282,567	100,000

BOROUGH OF EDGEWATER

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	State Agency Account Number	Grant Period	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
			From To				
Current Funds:							
U.S. Department of Homeland Security (1)							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							
4086 Public Assistance - Hurricane Sandy	97.036		N/A N/A	759,062	242,798		759,062
U.S. Department of Justice							
Equitable Sharing - Asset Forfeiture Program	16.922		1/1/2013 12/31/2013	5,160			3,221
<i>Total Federal Assistance - Current Fund</i>					242,798		762,283
General Capital Fund:							
Department of Housing and Urban Development (passed through County of Bergen):							
Community Development Block Grant:							
Reconst. of Undercliff Avenue - Ord. 1423	14.218	210-445-739-43-66		158,408			158,408
Undercliff Avenue Streetscape - Ord. 1423	14.218	210-155-739-43-66	N/A N/A	100,000			100,000
Reconst. Of Roads (Lasher Lane/Oldwood Rd/Undercliff Avenue)	14.218	210-155-741-43-66	N/A N/A	100,000	88,580		100,000
Old Wood Road Sanitary Sewer/Roadway Imp. - Ord. 1482	14.218	210-160-743-49-15	N/A N/A	91,000	91,000		91,000
Undercliff Avenue Imps. (Valley Place to Hilliard Avenue) - Ord. 1401	14.218	210-120-744-43-57	N/A N/A	100,000	179,580		449,408
U.S. Department of Homeland Security (1)							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							
4021 Public Assistance - Hurricane Irene	97.036		N/A N/A	217,808		217,808	217,808
PA-02-NJ-4021-PW-01332 - Ord. 1484							
Highway Planning and Construction							
Drainage Improvements, Old River Road - Ord. 1438	20.205		N/A N/A	200,000	36,136	70,115	131,579
Old River Road Improvements, Phase II - Ord. 1482	20.205		N/A N/A	146,500	36,136	70,115	70,115
<i>Total Federal Assistance - General Capital Fund</i>					215,716	287,923	737,331
Marina Utility Capital Fund:							
U.S. Department of Homeland Security (1)							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							
PA-02-NJ-1897-PW-01289 - Ord. 1467	97.036		N/A N/A	742,996			519,122
<i>Total Federal Assistance - Marina Utility Capital Fund</i>							519,122
Trust Funds:							
U.S. Department of Justice							
Bulletproof Vest Partnership Program	16.607			850	850	850	850
<i>Total Federal Assistance - Trust Funds</i>					850	850	850
<i>Total Federal Assistance - All Funds</i>					459,364	288,773	2,025,676

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2014

State Funding Department	State Grant Account #	From	Grant Period	To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Current Fund:								
Department of Environmental Protection								
Clean Communities Program								
	4900-765-042-4900-004-V42Y	1/1/2014	12/31/2014		18,027	18,027		
	4900-765-042-4900-004-V42Y	1/1/2013	12/31/2013		19,228			16,273
	4900-765-042-4900-004-V42Y	1/1/2011	12/31/2011		16,624		16,124	16,624
	4900-765-042-4900-004-V42Y	1/1/2008	12/31/2009		12,136		1,960	12,136
					<u>66,015</u>	<u>18,027</u>	<u>18,084</u>	<u>45,033</u>
Solid Waste Administration								
Recycling Tonnage Grant								
	4900-752-042-4900-001-V42Y	1/1/2014	12/31/2014		13,105	13,105		
	4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011		14,345		250	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			
					<u>91,930</u>	<u>13,105</u>	<u>250</u>	<u>250</u>
Administrative Office of the Courts								
Alcohol Education Rehabilitation Fund								
	9735-760-098-Y900-001-X100	1/1/2014	12/31/2014		1,950	1,950		
	9735-760-098-Y900-001-X100	1/1/2013	12/31/2013		2,533			
	9735-760-098-Y900-001-X100	1/1/2012	12/31/2012		1,619			
	9735-760-098-Y900-001-X100	1/1/2011	12/31/2011		1,564			
	9735-760-098-Y900-001-X100	1/1/2008	12/31/2008		1,067			
					<u>8,733</u>	<u>1,950</u>		
Division of Criminal Justice								
Body Armor Grant								
	1020-718-066-1020-001-YCJS	1/1/2013	12/31/2013		3,697			
	1020-718-066-1020-001-YCJS	1/1/2008	12/31/2009		3,108			
					<u>6,805</u>			
County of Bergen								
Municipal Alliance on Alcoholism and Drug Abuse								
		1/1/2013	12/31/2013		9,692		397	1,278
		1/1/2012	12/31/2012		3,828			9,407
					<u>13,520</u>		<u>397</u>	<u>10,685</u>
Total State Assistance - Current Fund								
					<u>187,003</u>	<u>33,082</u>	<u>18,731</u>	<u>55,968</u>
General Capital Fund:								
Department of Community Affairs								
Post Sandy Planning Grant - Ord. 1511		1/1/2014	12/31/2014		30,000		502	502
Borough Hall Preservation & Renovation Project - Ord. 1326		N/A	N/A		100,000			70,556
					<u>100,000</u>		<u>502</u>	<u>71,058</u>

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2014

State Funding Department	State Grant Account #	From	Grant Period	To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
New Jersey Livable Communities Grant Various Library Imps - Ord. 1326		N/A	N/A	N/A	32,000 32,000			32,000 32,000
Garden State Historic Preservation Trust Fund Edgewater Borough Hall - Ord. 1450	2008.2084	N/A	N/A	N/A	406,000 406,000	406,000 406,000		406,000 406,000
Department of Transportation - State Aid Highway Projects Highway Planning and Construction Drainage Improvements, Old River Road - Ord. 1438 Old River Road Improvements, Phase II - Ord. 1482					200,000 146,500 346,500	36,136 36,136	56,516 56,516	131,579 56,516 188,095
<i>Total State Assistance - General Capital Fund</i>					538,000	442,136	57,018	697,153
Trust Funds:								
Division of Criminal Justice Body Armor Grant Body Armor Grant	1020-718-066-1020-001-YCJS 1020-718-066-1020-001-YCJS	1/1/2014 1/1/2012	12/31/2014 12/31/2012		2,946 2,777 2,777	2,946 2,946	2,946 1,902 4,848	2,946 2,777 5,723
<i>Total State Assistance - Trust Funds</i>					2,777	2,946	4,848	5,723
Public Assistance Fund:								
Department of Health and Human Services Public assistance Public assistance	7500-150-158010-60 7500-150-158010-60	1/1/2014 1/1/2013	12/31/2014 12/31/2013		46,030 50,777 96,807	46,030 46,030	15,960 51,051 67,011	15,960 50,777 66,737
<i>Total State Assistance - Public Assistance Trust Fund</i>					96,807	46,030	67,011	66,737
<i>Total State Assistance</i>					824,587	524,194	147,608	825,581

BOROUGH OF EDGEWATER

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2014

State Funding Department	State Grant Account #	Grant Period		Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
		From	To				
Other Financial Assistance:							
County of Bergen (Passed through)							
Bergen County Open Space/Historic Preservation Trust							
Acc/Installation of clock at Grand Cove Marina - Ord. 1398	09-00819	N/A	N/A	41,250			
Veteran's Field	06-02061	N/A	N/A	50,091		50,091	50,091
Veteran's Field	08-01619	N/A	N/A	245,800		245,800	245,800
Veteran's Field	10-02063	N/A	N/A	210,000		210,000	210,000
Rehabilitation of Borough Hall, Phase I - Ord. 1381/1387	Historic Preservation	N/A	N/A	145,000	233,250	137,506	137,506
Borough Hall Phase II Improvements - Ord. 1450	Historic Preservation	N/A	N/A	329,000	233,250	329,000	329,000
				<u>1,021,141</u>	<u>233,250</u>	<u>505,891</u>	<u>972,397</u>
<i>Total Other Financial Assistance</i>				<u>1,021,141</u>	<u>233,250</u>	<u>505,891</u>	<u>972,397</u>
<i>Total State and Other Financial Assistance</i>				<u>1,845,728</u>	<u>757,444</u>	<u>653,499</u>	<u>1,797,978</u>

Note: This schedule was not subject to an audit in accordance with N.J. OMB circular 04-04.

BOROUGH OF EDGEWATER
Schedule of Cash - Collector/Treasurer
Current Fund
Year ended December 31, 2014

			<u>Current Fund</u>
Balance - December 31, 2013	\$		5,581,288
Increased by receipts:			
Revenue accounts receivable	\$	3,741,821	
Miscellaneous revenues not anticipated		869,824	
Taxes receivable		45,480,537	
Liens redeemed		10,392	
Prepaid taxes		225,188	
Due to federal and state grant fund		33,082	
Tax overpayments		81,076	
Senior citizens and veterans		21,675	
Tax title lien premiums		58,400	
Interfunds		90,447	
Special emergency note		103,800	
Marriage license fees payable		1,275	
		<u>50,717,517</u>	
			56,298,805
Decreased by disbursements:			
2014 budget appropriations		22,917,316	
2013 appropriation reserves		533,296	
Tax overpayment refunds		76,890	
Local district school tax		17,810,065	
County taxes		7,021,813	
County added/omitted		12,405	
Marriage license fees payable		1,275	
Tax title lien premiums redeemed		85,600	
Interfunds		351,148	
Special emergency note		153,000	
Emergency note payable		290,000	
Due from federal and state grant fund		18,731	
Various reserves		9,809	
Tax appeal refunds		19,238	
Refund prior year revenue		12,570	
		<u>49,313,156</u>	
Balance - December 31, 2014	\$		<u><u>6,985,649</u></u>

BOROUGH OF EDGEWATER

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	2014 levy	Added/ Omitted	Collected		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2014
				2013	2014			
2013	1,349,993			1,349,993				
	1,349,993			1,349,993				
2014		45,228,281	305,011	403,067	44,152,044	4,897	140,994	832,290
	\$ 1,349,993	45,228,281	305,011	403,067	45,502,037	4,897	140,994	832,290

Senior citizens' and veterans'
deductions allowed 21,500
Cash receipts 45,480,537

\$ 45,502,037

Analysis of 2014 Tax Levy

Tax yield:
General property tax 45,228,281
Added tax (R.S. 54:4-63.1 et seq.) 305,011

\$ 45,533,292

Tax levy:
Local district school tax (abstract) 17,810,065
County tax (abstract) 7,021,813
Added taxes (R.S. 54:4-63.1 et seq.) 48,546
Local tax for municipal purpose (abstract) 20,379,931
Additional tax levies 272,937

\$ 45,533,292

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$	52,969
Increased by:		
Transferred from 2014 Taxes		<u>4,897</u>
		57,866
Decreased by:		
Liens Redeemed		<u>10,392</u>
Balance - December 31, 2014	\$	<u><u>47,474</u></u>

BOROUGH OF EDGEWATER

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Accrued in 2014	<u>Collected</u>	Balance, Dec. 31, <u>2014</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	33,288	33,288	
Other		30,922	30,922	
Fees and permits		277,465	277,465	
Construction Code Official-fees and permits		638,313	537,815	100,498
Municipal Court fines and costs	15,984	264,165	264,592	15,557
Interest and cost on taxes		256,766	256,766	
Interest on Investments		2,915	2,915	
Consolidated Municipal Property Tax Relief		155,277	155,277	
Energy Receipts Tax		595,454	595,454	
Uniform Fire Safety		31,021	31,021	
Commercial Sewer Fees	115,538	461,683	514,141	63,080
General Capital Fund Balance		300,000	300,000	
Hotel Tax		277,910	277,910	
Pilot Payments - Waterford Towers		464,255	464,255	
	\$ <u>131,522</u>	<u>3,789,434</u>	<u>3,741,821</u>	<u>179,135</u>
		Cash	<u>3,741,821</u>	
			\$ <u>3,741,821</u>	

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ 35,143
Increased by:	
Senior citizens' and veterans' deductions per tax billings	<u>21,500</u>
	56,643
Decreased by:	
Cash received	<u>21,675</u>
Balance - December 31, 2014	<u><u>\$ 34,968</u></u>

Schedule of Local District School Tax Payable

Current Fund

Year ended December 31, 2014

Increased by:	
2014 Tax Levy	<u>\$ 17,810,065</u>
Decreased by:	
Cash Disbursements	<u><u>\$ 17,810,065</u></u>

Exhibit A-10

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2014

Increased by:		
County tax levy	\$	<u>7,021,813</u>
Decreased by:		
Cash Disbursements	\$	<u><u>7,021,813</u></u>

Exhibit A-11

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	12,405
Increased by:		
County tax levy-Added		<u>48,546</u>
		60,951
Decreased by:		
Cash Disbursements		<u>12,405</u>
Balance - December 31, 2014	\$	<u><u>48,546</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2014

	Balance, December 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 228	228		228
Mayor and Council	4,433	4,434		4,434
Elections	1	1		1
Assessment of Taxes	28	28		28
Municipal Court	484	484		484
Collection of Taxes	68	69		69
Planning Board	279	279		279
Zoning Board	1,079	1,079		1,079
Rent Leveling	279	279		279
Fire	10,032	10,032		10,032
Volunteer First Aid	2,353	2,353		2,353
Police	110,069	111,599	38,954	72,645
Road Repairs and Maintenance	2,240	2,240		2,240
Board of Health	15	15		15
Public Assistance	1			
Recycling Program	922	922		922
Uniform Construction Code	3,170	3,170		3,170
Total Salaries and Wages Within "CAPS"	<u>135,681</u>	<u>137,212</u>	<u>38,954</u>	<u>98,258</u>
Other Expenses Within "CAPS":				
Administrative and Executive	2,555	9,286	9,286	
Elections	1,280	1,280		1,280
Financial Administration	7,045	7,045		7,045
Collection of Taxes	1,148	2,347	2,347	
Assessment of Taxes				
Special Consultant - Reassessment of Real Properties	87	9,470	9,470	
Miscellaneous other expenses	11	296	285	11
Municipal Court	169	1,439	1,418	21
Legal Services	2,108	7,693	7,692	1
Insurance - Hospitalization	233,933	234,353	5,146	229,207
Insurance - Other Insurance	12,486	12,486		12,486
Public Buildings and Grounds	941	17,497	17,497	
Engineering	10,613	16,740	16,740	
Planning Board	1,119	6,842	6,842	
Zoning Board	908	908	203	705
Rent Leveling	94	11,087	9,683	1,404
Housing Inspector	575	575		575
Police	14,236	45,575	38,607	6,968
Police- Automobiles	1,513	21,887	20,374	1,513
Fire	8	26,261	19,373	6,888
Volunteer First Aid	3,122	5,279	4,384	895
Fire Prevention	1,723	6,096	4,771	1,325
Road Repairs and Maintenance	41,537	58,091	18,685	39,406
Snow Removal	2,848	10,081	10,081	
Board of Health	65,775	65,775	3,510	62,265
Dog regulation	2,696	3,437	717	2,720
Occupational Safety Health Act	865	865		865

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2014

	Balance, December 31, 2013	Balance after Transfers	Paid or Charged	Balance Lapsed
Public Assistance	1	245	244	1
Public Assistance- Emergency Assistance	1,000	1,000		1,000
Parks and Playgrounds	25,860	25,860	6,434	19,426
Recreation	19,490	21,000	2,665	18,335
Celebration of Public Events	7,353	7,611	440	7,171
Garbage and Trash Removal	335,832	292,214	50,498	241,716
Uniform Construction Code	4,654	4,654	378	4,276
Fuel	2,854	13,694	13,593	101
Street Lighting	20,747	25,910	13,830	12,080
Telephone	224	10,140	10,140	
Water	16	3,343	3,342	1
Fire Hydrant Service	25,305	25,305	24,655	650
Gasoline	28,855	32,335	32,335	
Preparation of Tax Map	91,000	91,000	78,677	12,323
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>977,586</u>	<u>1,142,002</u>	<u>444,342</u>	<u>697,660</u>
Total Reserves Within "CAPS"	<u>1,113,267</u>	<u>1,279,214</u>	<u>483,296</u>	<u>795,918</u>
Other Expenses Excluded From "CAPS":				
Social Security System	3,481	3,481		3,481
Unemployment Insurance	3,414	3,414		3,414
Public Employees' Retirement System	29,675	29,675		29,675
Bergen County Utilities Authority-Share of Costs	1	1		1
LOSAP	1,150	1,150		1,150
Maintenance of Free Public Library	95,711	95,711	95,711	
Total Other Expenses Excluded from "CAPS"	<u>133,432</u>	<u>133,432</u>	<u>95,711</u>	<u>37,721</u>
Total Reserves Excluded from "CAPS"	<u>133,432</u>	<u>133,432</u>	<u>95,711</u>	<u>37,721</u>
Total Reserves	<u>\$ 1,246,699</u>	<u>1,412,646</u>	<u>579,007</u>	<u>833,639</u>
Appropriation reserves		1,246,699		
Encumbrances		<u>165,947</u>		
		<u>\$ 1,412,646</u>		
		Cash Disbursements	533,296	
		Transferred to Amount due to Library	<u>45,711</u>	
			<u>\$ 579,007</u>	

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	165,947
Increased by:		
Encumbrances		196,199
		362,146
Decreased by:		
Transferred to appropriation reserves		165,947
Balance - December 31, 2014	\$	196,199

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	57,057
Increased by:		
Overpayments received		81,076
		138,133
Decreased by:		
Overpayments refunded		76,890
Balance - December 31, 2014	\$	61,243

Exhibit A-15

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$	403,067
Increased by:		
2015 prepaid taxes collected		<u>225,188</u>
		628,255
Decreased by:		
Taxes realized as revenue		<u>403,067</u>
Balance - December 31, 2014	\$	<u><u>225,188</u></u>

Exhibit A-16

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

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$	500
Increased by:		
Cash Receipts		<u>1,275</u>
		1,775
Decreased by:		
Disbursements		<u>1,275</u>
Balance - December 31, 2014	\$	<u><u>500</u></u>

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

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$	<u>3,844,775</u>
Balance - December 31, 2014		\$	<u><u>3,844,775</u></u>

Schedule of Reserve for
Tax Title Lien Premium

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$	327,300
Increased by:			
Premiums collected			<u>58,400</u>
			385,700
Decreased by:			
Refunded			<u>85,600</u>
Balance - December 31, 2014		\$	<u><u>300,100</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2014

<u>Fund</u>	Due from/(to) Balance Dec. 31, 2013	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, 2014
Escrow Trust Fund	\$ 32	26	32	26
Animal License Trust Fund	(22)	3,347	3,325	
Fire Prevention Dedicated Penalties Trust Fund	(27,133)	27,246	1,400	(1,287)
Parking Offenses Adjudication Account			1,042	(1,042)
General Capital Fund	<u>(146,720)</u>	<u>417,585</u>	<u>181,580</u>	<u>89,285</u>
	<u>\$ (173,843)</u>	<u>448,204</u>	<u>187,379</u>	<u>86,982</u>
 <u>Analysis</u>				
Due to Current Fund	\$ 32	270,891	181,612	89,311
Due From Current Fund	<u>(173,875)</u>	<u>177,313</u>	<u>5,767</u>	<u>(2,329)</u>
	<u>\$ (173,843)</u>	<u>448,204</u>	<u>187,379</u>	<u>86,982</u>
Interest on Investments	\$	530		
Reimbursement of Expenses Paid		3,325	3,325	
Reclassification of Reserve			808	
Special Emergency Notes		93,000	93,000	
Interfunds Advanced - Cash Disbursements		88,850		
Cash Receipts		201	90,246	
Cash Disbursements		<u>262,298</u>		
		<u>\$ 448,204</u>	<u>187,379</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Reserve for:				
Binghampton Ferryboat Removal	\$ 250,000			250,000
Playgrounds	2,481			2,481
Due to Library	55,053	45,711	2,057	98,707
Library Aid	12,383			12,383
Parking Offenses Adjudication Account	8,560		8,560	
Community Center	18,730			18,730
Developer's Contribution	1,825			1,825
Revaluation	80,000			80,000
BCUA Grant	17,608			17,608
Ferry Agreement	20,000			20,000
Donations	17,425			17,425
Sale of Municipal Assets	1,091			1,091
Arts Festival	1,513			1,513
Centennial	890			890
	<u>\$ 487,559</u>	<u>45,711</u>	<u>10,617</u>	<u>522,653</u>
			808	
			9,809	
Balance of 2013 Budget Appropriation		<u>45,711</u>		
		<u>\$ 45,711</u>	<u>10,617</u>	

BOROUGH OF EDGEWATER
Schedule of Special Emergency and Emergency Notes Payable

		Current Fund			
		Year ended December 31, 2014			
<u>Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
				<u>Increased</u>	<u>Decreased</u>
SEN-1	Dec. 17, 2014	Jul. 24, 2015	0.60%	\$ 91,000	72,800
SEN-1	Jul. 25, 2014	Jul. 24, 2015	1.00%	62,000	31,000
EN-1	Dec. 27, 2013	Dec. 19, 2014	1.95%	290,000	290,000
				<u>\$ 443,000</u>	<u>443,000</u>
					<u>103,800</u>
					<u>103,800</u>

BOROUGH OF EDGEWATER

Schedule of Due to Federal and State Grant Fund

Current Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ 144,982
Increased by:	
Grants Received - Unappropriated	<u>33,082</u>
	178,064
Decreased by:	
Cash Disbursements	<u>18,731</u>
Balance - December 31, 2014	<u><u>\$ 159,333</u></u>

BOROUGH OF EDGEWATER

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Authorized/ Incurred in <u>2014</u>	Raised in 2014 <u>Budget</u>	Balance, Dec. 31, <u>2014</u>
Over-Expenditure of Appropriations	\$	33,392		33,392
Emergency Authorizations: Police - Salaries and Wages	<u>290,000</u>		<u>290,000</u>	
	<u>\$ 290,000</u>	<u>33,392</u>	<u>290,000</u>	<u>33,392</u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2014

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2013</u>	<u>Reduced in 2014</u>	<u>Balance, Dec. 31, 2014</u>
2010	Reassessment of Real Property	\$ 80,000	16,000	24,000	16,000	8,000
2010	Termination Pay	155,000	31,000	62,000	31,000	31,000
11/12/13	Preparation of Tax Maps	91,000	18,200	91,000	18,200	72,800
		<u>\$ 326,000</u>	<u>65,200</u>	<u>177,000</u>	<u>65,200</u>	<u>111,800</u>

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2014</u>
Municipal Alliance	\$ 9,692			9,692
Recycling Tonnage		14,345	14,345	
Body Armor		3,697	3,697	
Alcohol Education and Rehabilitation		2,533	2,533	
	<u>\$ 9,692</u>	<u>20,575</u>	<u>20,575</u>	<u>9,692</u>
		Unappropriated Grant Reserves	<u>20,575</u>	
			\$ <u>20,575</u>	

BOROUGH OF EDGEWATER

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, 2013	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, 2014
Clean Communities	\$ 16,124		16,124	
Clean Communities	17,086		1,960	15,126
Municipal Alliance	5,579			5,579
Alcohol Education and Rehabilitation	3,788			3,788
Body Armor Grant	6,052			6,052
Recycling Tonnage Grant	64,480			64,480
Clean Communities	2,974			2,974
Alcohol Education and Rehabilitation	1,619			1,619
Municipal Alliance - 2013	8,811		397	8,414
U.S. Department of Justice - Equitable Sharing - Asset Forfeiture Proceeds	1,939			1,939
Recycling Tonnage Grant		14,345	250	14,095
Body Armor Grant		3,697		3,697
Alcohol Education and Rehabilitation		2,533		2,533
	<u>\$ 128,452</u>	<u>20,575</u>	<u>18,731</u>	<u>130,296</u>
		Cash Disbursements	<u>18,731</u>	
			\$ <u>18,731</u>	

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	<u>Received</u>	Appropriated in 2014 <u>Budget</u>	Balance, Dec. 31, <u>2014</u>
Clean Communities	\$	18,027		18,027
Municipal Alliance	5,647			5,647
Body Armor Grant	3,697		3,697	
Recycling Tonnage Grant	14,345	13,105	14,345	13,105
Alcohol Education Rehabilitation Fund	<u>2,533</u>	<u>1,950</u>	<u>2,533</u>	<u>1,950</u>
	<u>\$ 26,222</u>	<u>33,082</u>	<u>20,575</u>	<u>38,729</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2014

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2013	\$ 27	127,049	1,233,623	873,904
Increased by:				
Animal License Fees	3,489			
Due to State of New Jersey - Dog License Fees	473			
Various Reserves			76,796	
Grant Receipts			2,946	
Escrow Deposits		188,268		
Interfunds	22		115,826	
Borough Contributions				77,350
Investment Income		26		37,156
	<u>3,984</u>	<u>188,294</u>	<u>195,568</u>	<u>114,506</u>
	<u>4,011</u>	<u>315,343</u>	<u>1,429,191</u>	<u>988,410</u>
Decreased by:				
Animal License Expenditures	72			
Due to State of New Jersey	527			
Escrow Expenditures		128,200		
Interfunds	3,325	32	88,580	
Various Reserves			88,580	
Account Charges/Tax Distributions				144
	<u>3,924</u>	<u>128,232</u>	<u>177,160</u>	<u>53,154</u>
Balance -December 31, 2014	\$ <u>87</u>	<u>187,111</u>	<u>1,252,031</u>	<u>935,256</u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2014

Balance - December 31, 2013		\$	(5)
Increased by:			
Dog license fees	\$	1,918	
Cat license fees		600	
Postage/Late fees		311	
Miscellaneous fees		<u>660</u>	
			<u>3,489</u>
			3,484
Decreased by:			
Interfunds		3,325	
License refunds		<u>72</u>	
			<u>3,397</u>
Balance - December 31, 2014		\$	<u><u>87</u></u>

License Fees Collected

2012	2,601
2013	<u>2,767</u>
\$	<u><u>5,368</u></u>

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2014

Balance - December 31, 2013	\$ 54
Increased by:	
2014 Fees Collected	<u>473</u>
	527
Decreased by:	
Payments to State of New Jersey	<u><u>\$ 527</u></u>

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2014

Balance - December 31, 2013	\$ 127,017
Increased by:	
Escrow Deposits	<u>188,268</u>
	315,285
Decreased by:	
Escrow Deposits Refunded	<u>128,200</u>
Balance - December 31, 2014	<u><u>\$ 187,085</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds Receivable/(Payable)
Trust Funds

Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Current Fund:				
Other Trust Funds:				
Fire Prevention Dedicated Penalties	27,133	1,400	27,246	1,287
Bergen County CDA POAA		88,580	88,580	
		1,042		1,042
Animal License Trust Fund:				
Current Fund	22	3,325	3,347	
Escrow Trust Fund:				
Current Fund	<u>(32)</u>	<u>32</u>	<u>26</u>	<u>(26)</u>
	<u>\$ 27,123</u>	<u>94,379</u>	<u>119,199</u>	<u>2,303</u>
			Receipts	115,848
			Interest on Investments	26
			Reimbursement for Expenditures Paid	3,325
		Fees collected in Current		1,042
		Dedicated Penalties deposited in Current		1,400
		Cash Disbursements	<u>91,937</u>	
		<u>\$ 94,379</u>	<u>119,199</u>	

BOROUGH OF EDGEWATER
Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Reserve for:				
Cemetary Bequests	\$ 31,919			31,919
Bullet Proof Vests	12,471	4,475	5,250	11,696
Ferry Performance Security	195,290	109		195,399
Fire Prevention	47,565	1,477	40,883	8,159
POAA		9,398		9,398
Cultural and Historical Society	1,148	3		1,151
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	502,847	50	16,697	486,200
Recycling Fees	125,032	61,260	19,119	167,173
Bergen County CDA Trust	100			100
Flexible Spending Trust	25	4,300	1,422	2,903
Municipal Alliance Trust	12,162	1,112	5,209	8,065
	<u>\$ 1,260,756</u>	<u>82,184</u>	<u>88,580</u>	<u>1,254,360</u>
		Cash Receipts 76,796		
		Cash Disbursements	88,580	
		Grant Receipts 2,946		
		Due from Current Fund 2,442		
		<u>\$ 82,184</u>	<u>88,580</u>	

BOROUGH OF EDGEWATER

Statement of Service Award Contributions Receivable

Emergency Services Length of Service Award Program

Year ended December 31, 2014

Balance - December 31, 2013		\$	78,200
Increased by:			
2014 Borough Contribution			<u>79,350</u>
			157,550
Decreased by:			
Prior Year Contributions Returned	\$	850	
2013 Borough Contribution Received		<u>77,350</u>	
			<u>78,200</u>
Balance - December 31, 2014		\$	<u><u>79,350</u></u>

Statement of Net Assets Available for Benefits

Emergency Services Length of Service Award Program

Year ended December 31, 2014

Balance - December 31, 2013		\$	952,104
Increased by:			
Borough Contributions	\$	79,350	
Investment Income		<u>37,156</u>	
			<u>116,506</u>
			1,068,610
Decreased by:			
Prior Year Contributions Returned		850	
Account Charges/Tax		144	
Distributions		<u>53,010</u>	
			<u>54,004</u>
Balance - December 31, 2014		\$	<u><u>1,014,606</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$ 7,079,876
Increased by receipts:		
Capital Improvement Fund	\$ 400,000	
Bond Anticipation Notes	1,855,685	
Grant Receipts	854,966	
Reserve for Payment of Debt	2,272	
Reserve for Green Acres	299	
Due from Current Fund	417,585	
Premium on Sale of Notes	<u>178,285</u>	
		<u>3,709,092</u>
		10,788,968
Decreased by disbursements:		
Improvement Authorizations	2,951,396	
Reserve for Payment of Debt -		
Utilized as Bond Anticipation Note Paydown	197,614	
Fund Balance - Budget Revenue Realized	300,000	
Due from Current Fund	<u>181,580</u>	
		<u>3,630,590</u>
Balance - December 31, 2014		\$ <u><u>7,158,378</u></u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2014

Grants Receivable -	
Community Development Block Grant	\$ (177,987)
New Jersey Department of Transportation	(210,239)
Bergen County Open Space Trust Fund	(547,141)
Bergen County Historic Preservation Trust	(190,750)
Green Acres Program	(382,445)
Livable Communities	(5,375)
Department of Community Affairs	(30,000)
Due from the Federal Emergency Management Agency	(217,808)
Wastewater Trust Fund Receivable	(194,335)
Due to Current Fund	89,285
Capital Improvement Fund	266,196
Reserve for Green Acres	10,783
Reserve for Payment of Debt	1,344,894
Due from Marina Utility Capital Fund	(50,000)
Excess Note Proceeds - Ord. 1482	45,375
Unappropriated State Grant	79,408
Reserve for Grants Receivable	605,891
Fund Balance	220,353

Improvement authorizations:

<u>Ordinance</u>	<u>Improvement description</u>	
<u>number</u>		
967	Various improvements	(164)
1262	Pension Refunding	(2,681)
1299	Various Capital Improvements	5,407
1325	Various Capital Improvements	(709)
1326	Various Capital Improvements	929,553
1357	Acquisition of Municipal Complex/Police Station	(10,182)

BOROUGH OF EDGEWATER

Schedule of General Capital Fund Cash

General Capital Fund

Year ended December 31, 2014

1359	Dissolution of Edgewater MUA	(2,172)
1366	Separation of Combined Sewers	111,615
1372/1382	Dredging of Edgewater Marina	(700)
1381/1387	Various Capital Improvements	583,779
1398	Acq./Installation of Marina Clock	40,192
1401	Undercliff Ave. Streetscape	91,080
1407	Barrier Free Improvements-River Road	65,421
1413	Refunding Bond Ordinance	(56,570)
1418	Sewer Repairs	136,633
1420	Sanitary Sewer Repairs	84,076
1423	Improvements to Undercliff Avenue	49,537
1426	Acquisition of various equipment for new municipal comple	59,022
1438	Drainage Improvements, Old River Road	50,115
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	804
1446	Various Acquisitions and Improvements	139,971
1450	Borough Hall Phase II Improvements	19,447
1457	Imps. To Beverly Place Retaining Wall	12,938
1460	Imps. to the DPW and Community Center Parking Lots	6,097
1463	Refunding Bond Ordinance	(1,316)
1464	Improvements to the Municipal Pool	(1,964)
1474	Improvements to Veteran's Field	4,177,686
1477	Repairs to Fire Company No. 1	100,000
1482	Various Improvements	282,266
1488/1497	Acquisition of Rescue Boat for Fire Department	6,853
1489/1496	Repairs to the Edgewater Marina	46,133
1498	Acquisition of a Trailer Mounted Generator	3,409
1499	Imps. To the Bulkhead at the Edgewater Marina	1,244
1502	Various Acquisitions and Improvements	(454,045)
1511	Post Sandy Planning Grant	29,498
		<u>\$ 7,158,378</u>

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$ 16,257,308
Decreased by:		
Infrastructure Loan Payments	\$ 260,947	
Infrastructure Trust Loans paid via Project Credits	10,000	
Green Trust Loan Payments	18,919	
Capital Lease Payments	35,000	
Budget Appropriation to Pay Serial Bonds	<u>1,400,000</u>	
		<u>1,724,866</u>
Balance - December 31, 2014		\$ <u><u>14,532,442</u></u>

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authorizations	Decreased	Balance, Dec. 31, 2014	Analysis of balance		
						Bond anticipation notes	Expenditures	Unexpended improvement authorization
967	Various improvements	\$ 164			164		164	
1262	Pension Refunding	2,681			2,681		2,681	
1325	Various Capital Improvements	709			709		709	
1357	Acquisition of Municipal Complex/Police Station	5,400,000		63,291	5,336,709	5,056,709	10,182	269,818
1359	Dissolution of the Edgewater Municipal Utilities Authority	2,172			2,172		2,172	
1366	Separation of Combined Sewers	748,519			748,519			748,519
1372/1382	Dredging of Marina	4,042,215		252,595	3,789,620	3,788,920	700	
1381/1387	Various Capital Improvements	1,763,830		89,460	1,674,370	1,674,120		250
1407	Barrier Free Improvements-River Road	110,500		6,500	104,000	104,000		
1413	Refunding Bond Ordinance	340,000			340,000		56,570	283,430
1418	Sewer Repairs	33,750			33,750			33,750
1420	Sanitary Sewer Repairs	45,000			45,000			45,000
1423	Improvements to Undercliff Avenue	40,450		2,300	38,150	37,900		250
1426	Acquisition of various equipment for new municipal complex	219,230		18,270	200,960	200,960		
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	107,350		5,650	101,700	101,700		
1450	Borough Hall Phase II Improvements	251,750		8,619	243,131	241,326		1,805
1457	Imps. to Beverly Place Retaining Wall	152,000			152,000	152,000		
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500			161,500
1463	Refunding Bond Ordinance	905,000			905,000		1,316	903,684
1464	Improvements to Municipal Pool	61,750			61,750		1,964	59,786
1474/1514	Improvements to Veteran's Field	9,215,000	3,800,000		13,015,000	9,214,490		3,800,510
1482	Various improvements	544,500		45,750	498,750	498,750		

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authorizations	Decreased	Balance, Dec. 31, 2014	Analysis of balance		
						Bond anticipation notes	Expenditures	Unexpended improvement authorization
1488/1497	Acquisition of a Fire Rescue Boat for Fire Department	121,000			121,000	121,000		
1489/1496	Repairs to the Edgewater Marina	285,000			285,000	285,000		
1498	Acquisition of a Trailer Mounted Generator	61,750			61,750	61,750		
1499	Imps. to the Bulkhead at the Edgewater Marina	118,750			118,750			118,750
1502	Various Acquisitions and Improvements	933,850			933,850		454,045	479,805
		<u>\$ 25,668,420</u>	<u>3,800,000</u>	<u>492,435</u>	<u>28,975,985</u>	<u>21,538,625</u>	<u>530,503</u>	<u>6,906,857</u>

2014 Improvement Authorizations 3,800,000

Bond Anticipation Notes 21,584,000
 Excess Note Proceeds - Ord. 1482 (45,375)
\$ 21,538,625

Reserve for Payment of Debt 197,614
 Budget Appropriation 249,071
 Cancelled via Ord. 1510 45,750
\$ 492,435

Improvement authorizations - unfunded \$ 12,202,515

Less: Unexpended proceeds of
 Bond Anticipation Notes

Ord. 1381/1387	583,779
Ord. 1407	65,421
Ord. 1423	37,900
Ord. 1426	59,022
Ord. 1443	804
Ord. 1450	19,447
Ord. 1474	4,177,686
Ord. 1482	282,266
Ord. 1457	12,938
Ord. 1488/1497	6,853
Ord. 1489/1496	46,133
Ord. 1498	3,409

5,295,658

\$ 6,906,857

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$	<u>194,335</u>
Balance - December 31, 2014		\$	<u><u>194,335</u></u>
	<u>Analysis of Balance</u>		
	Prior Years		53,732
	Trust Loan (2007)		26,672
	Trust Loan (2010B)		<u>113,931</u>
		\$	<u><u>194,335</u></u>

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$	<u>382,445</u>
Balance - December 31, 2014		\$	<u><u>382,445</u></u>
	<u>Analysis of Balance</u>		
	Ord. 1326 - Imps. To Veteran's Field	\$	<u><u>382,445</u></u>

Exhibit C-8

BOROUGH OF EDGEWATER

**Schedule of Grants Receivable -
State of New Jersey Historic Trust Grant Program - Ord. 1450**

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ <u>406,000</u>
Decreased by:	
Cash Receipts	\$ <u><u>406,000</u></u>

Exhibit C-9

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ <u>5,375</u>
Balance - December 31, 2014	\$ <u><u>5,375</u></u>

Exhibit C-10

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

General Capital Fund

Year ended December 31, 2014

Increased by:	
Grant Awards	\$ <u>30,000</u>
Balance - December 31, 2014	\$ <u><u>30,000</u></u>

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	246,375
Decreased by:		
Cash Receipts		36,136
Balance - December 31, 2014	\$	210,239
<u>Analysis of Balance</u>		
Ord. 1438 - Drainage Imps. Old River Road		99,875
Ord. 1482 - Old River Road Imps, Phase II		110,364
	\$	210,239

Schedule of Grants Receivable -
Bergen County Open Space Trust Fund
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	547,141
Balance - December 31, 2014	\$	547,141
<u>Analysis of Balance</u>		
Improvements to Veteran's Field		505,891
Ord. 1398 - Installation of Marina Clock		41,250
	\$	547,141

Exhibit C-13

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$	424,000
Decreased by:		
Cash Receipts		<u>233,250</u>
Balance - December 31, 2014	\$	<u>190,750</u>
<u>Analysis of Balance</u>		
Ord. 1450 - Borough Hall Phase II Improvements		95,750
Ord. 1381/1387 - Rehabilitation of Borough Hall, Phase I		<u>95,000</u>
	\$	<u>190,750</u>

Exhibit C-14

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

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$	<u>217,808</u>
Balance - December 31, 2014	\$	<u>217,808</u>

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ 357,567
Decreased by:	
Grant Proceeds Received	<u>179,580</u>
Balance - December 31, 2014	<u>\$ 177,987</u>

<u>Analysis of Balance</u>	
Ord. 1423 Reconstruction of Undercliff Ave.	30,824
Ord. 1423 Undercliff Ave. Streetscape	47,163
Ord. 1401 - Undercliff Avenue Imps. (Valley to Hilliard)	<u>100,000</u>
	<u>\$ 177,987</u>

BOROUGH OF EDGEWATER

Schedule of amount due from Marina Utility Capital Fund

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ <u>50,000</u>
Balance - December 31, 2014	\$ <u><u>50,000</u></u>

Schedule of Due from/(to) Current Fund

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013	\$ 146,720
Increased by:	
Cash Disbursements	<u>181,580</u>
	328,300
Decreased by:	
Interest on Investments	\$ 705
Cash Receipts	<u>416,880</u>
	<u>417,585</u>
Balance - December 31, 2014	\$ <u><u>(89,285)</u></u>

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
			Date	Amount			
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	890,000	Aug. 1, 2015	55,000	5.13%	425,000	375,000
			Aug. 1, 2016	60,000	5.13%		
			Aug. 1, 2017	60,000	5.35%		
			Aug. 1, 2018	65,000	5.25%		
			Aug. 1, 2019	65,000	5.35%		
			Aug. 1, 2020	70,000	5.35%		
Wastewater Improvements (Edgewater Municipal Utilities Authority)	Nov. 9, 2000	881,496	Feb. 1, 2015	5,938		314,392	270,685
			Aug. 1, 2015	39,395			
			Feb. 1, 2016	5,073			
			Aug. 1, 2016	41,473			
			Feb. 1, 2017	4,141			
			Aug. 1, 2017	40,541			
		Feb. 1, 2018	3,185				
		Aug. 1, 2018	42,619				
		Feb. 1, 2019	2,150				
		Aug. 1, 2019	41,583				
		Feb. 1, 2020	1,115				
		Aug. 1, 2020	43,582				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
			Date	Amount			
Wastewater Improvements	Nov. 8, 2001	125,000	Aug. 1, 2015	10,000	5.000%	70,000	65,000
			Aug. 1, 2016	10,000	5.00%		
			Aug. 1, 2017	10,000	5.00%		
			Aug. 1, 2018	10,000	5.00%		
			Aug. 1, 2019	10,000	5.00%		
			Aug. 1, 2020	10,000	4.75%		
			Aug. 1, 2021	5,000	4.75%		
							5,000
Wastewater Improvements	Nov. 8, 2001	131,010	Feb. 1, 2015	1,044		55,538	50,039
			Aug. 1, 2015	7,541			
			Feb. 1, 2016	881			
			Aug. 1, 2016	7,379			
			Feb. 1, 2017	719			
			Aug. 1, 2017	7,216			
			Feb. 1, 2018	556			
			Aug. 1, 2018	7,054			
			Feb. 1, 2019	394			
			Aug. 1, 2019	6,981			
		Feb. 1, 2020	231				
		Aug. 1, 2020	6,729				
		Feb. 1, 2021	77				
		Aug. 1, 2021	3,326				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014				
			Date	Amount							
Separation of Combined Sewers	Nov. 8, 2007	615,000	Aug. 1, 2015	25,000	5.00%	500,000	475,000				
			Aug. 1, 2016	30,000	5.00%						
			Aug. 1, 2017	30,000	5.00%						
			Aug. 1, 2018	30,000	5.00%						
			Aug. 1, 2019	35,000	4.00%						
			Aug. 1, 2020	35,000	4.00%						
			Aug. 1, 2021	35,000	5.00%						
			Aug. 1, 2022	40,000	5.00%						
			Aug. 1, 2023	40,000	4.25%						
			Aug. 1, 2024	40,000	4.50%						
			Aug. 1, 2025	45,000	4.50%						
			Aug. 1, 2026	45,000	4.50%						
			Aug. 1, 2027	45,000	4.25%						
			Separation of Combined Sewers	Nov. 8, 2007	1,736,481			Feb. 1, 2015	19,866		1,134,955
Aug. 1, 2015	65,508										
Feb. 1, 2016	18,725										
Aug. 1, 2016	73,496										
Feb. 1, 2017	17,357										
Aug. 1, 2017	72,127										
Feb. 1, 2018	15,986										
Aug. 1, 2018	70,757										
Feb. 1, 2019	14,617										
Aug. 1, 2019	78,516										
Feb. 1, 2020	13,339										

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
			Date	Amount			
Separation of Combined Sewers, (cont.)	Mar. 10, 2010	170,000	Aug. 1, 2020	77,239	5.00%	155,000	150,000
			Feb. 1, 2021	12,061			
			Aug. 1, 2021	75,961			
			Feb. 1, 2022	10,463			
			Aug. 1, 2022	83,491			
			Feb. 1, 2023	8,638			
			Aug. 1, 2023	81,666			
			Feb. 1, 2024	7,086			
			Aug. 1, 2024	80,114			
			Feb. 1, 2025	5,443			
Sewer Repairs (Ord. 1418)			Aug. 1, 2025	87,599	5.00%	5,000	
			Feb. 1, 2026	3,594			
			Aug. 1, 2026	54,289			
			Aug. 1, 2015	5,000			
			Aug. 1, 2016	10,000			
			Aug. 1, 2017	10,000			
		Aug. 1, 2018	10,000	5.00%			
		Aug. 1, 2019	10,000	5.00%			
		Aug. 1, 2020	10,000	4.00%			
		Aug. 1, 2021	10,000	5.00%			
		Aug. 1, 2022	10,000	3.00%			
		Aug. 1, 2023	10,000	4.00%			
		Aug. 1, 2024	10,000	4.00%			
		Aug. 1, 2025	10,000	4.00%			

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
			Date	Amount			
Sewer Repairs (Ord. 1418), (cont.)			Aug. 1, 2026	10,000	3.50%		
			Aug. 1, 2027	10,000	4.00%		
			Aug. 1, 2028	10,000	4.00%		
			Aug. 1, 2029	15,000	4.00%		
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	521,250	Feb. 1, 2015	8,835		424,068	397,564
			Aug. 1, 2015	17,669			
			Feb. 1, 2016	8,835			
			Aug. 1, 2016	17,669			
			Feb. 1, 2017	8,835			
			Aug. 1, 2017	17,669			
			Feb. 1, 2018	8,835			
			Aug. 1, 2018	17,669			
			Feb. 1, 2019	8,835			
			Aug. 1, 2019	17,669			
			Feb. 1, 2020	8,835			
			Aug. 1, 2020	17,669			
			Feb. 1, 2021	8,835			
			Aug. 1, 2021	17,669			
			Feb. 1, 2022	8,835			
			Aug. 1, 2022	17,669			
		Feb. 1, 2023	8,835				
		Aug. 1, 2023	17,669				
		Feb. 1, 2024	8,835				
		Aug. 1, 2024	17,669				

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of loans outstanding		Interest rate	Balance, Dec. 31, 2013	Balance, Dec. 31, 2014
			Date	Amount			
Sewer Repairs (Ord. 1418), (cont.)	Feb. 1, 2025		Feb. 1, 2025	8,835			
	Aug. 1, 2025		Aug. 1, 2025	17,669			
	Feb. 1, 2026		Feb. 1, 2026	8,835			
	Aug. 1, 2026		Aug. 1, 2026	17,669			
	Feb. 1, 2027		Feb. 1, 2027	8,835			
	Aug. 1, 2027		Aug. 1, 2027	17,669			
	Feb. 1, 2028		Feb. 1, 2028	8,835			
	Aug. 1, 2028		Aug. 1, 2028	17,669			
	Feb. 1, 2029		Feb. 1, 2029	8,835			
	Aug. 1, 2029		Aug. 1, 2029	17,670			
Sanitary Sewer Repairs (Ord. 1420)	Aug. 1, 2015	245,000	Aug. 1, 2015	10,000	5.00%	225,000	215,000
	Aug. 1, 2016		Aug. 1, 2016	10,000	5.00%		
	Aug. 1, 2017		Aug. 1, 2017	10,000	5.00%		
	Aug. 1, 2018		Aug. 1, 2018	10,000	5.00%		
	Aug. 1, 2019		Aug. 1, 2019	10,000	5.00%		
	Aug. 1, 2020		Aug. 1, 2020	10,000	5.00%		
	Aug. 1, 2021		Aug. 1, 2021	10,000	5.00%		
	Aug. 1, 2022		Aug. 1, 2022	15,000	5.00%		
	Aug. 1, 2023		Aug. 1, 2023	15,000	5.00%		
	Aug. 1, 2024		Aug. 1, 2024	15,000	5.00%		
Aug. 1, 2025		Aug. 1, 2025	15,000	5.00%			
Aug. 1, 2026		Aug. 1, 2026	15,000	5.00%			
Aug. 1, 2027		Aug. 1, 2027	15,000	5.00%			
Aug. 1, 2028		Aug. 1, 2028	15,000	5.00%			

BOROUGH OF EDGEWATER
Schedule of Green Trust Loan Payable
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$ 302,415
Decreased by:	
Paid via Budget Appropriation	<u>18,919</u>
Balance - December 31, 2014	<u><u>\$ 283,496</u></u>

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
Refunding Bonds	Jun. 30, 2009	2,460,000				165,000	165,000	
General Obligation Bonds	Jun. 30, 2009	4,884,000	Aug. 15, 2015	450,000	4.00%	4,744,000	380,000	4,364,000
			Aug. 15, 2016	100,000	4.00%			
			Aug. 15, 2017	125,000	5.00%			
			Aug. 15, 2018	150,000	5.00%			
			Aug. 15, 2019	175,000	4.50%			
			Aug. 15, 2020	225,000	4.50%			
			Aug. 15, 2021	235,000	4.00%			
			Aug. 15, 2022	960,000	5.00%			
			Aug. 15, 2023	960,000	5.00%			
			Aug. 15, 2024	984,000	4.00%			
General Obligation Refunding Bonds	Jan. 25, 2012	7,395,000	Jun. 1, 2015	225,000	3.00%	7,285,000	855,000	6,430,000
			Jun. 1, 2015	650,000	3.50%			
			Jun. 1, 2016	265,000	2.00%			
			Jun. 1, 2016	650,000	3.25%			
			Jun. 1, 2017	925,000	2.00%			
			Jun. 1, 2018	420,000	2.00%			
			Jun. 1, 2018	500,000	3.625%			
			Jun. 1, 2019	230,000	3.00%			
			Jun. 1, 2019	700,000	4.00%			
			Jun. 1, 2020	430,000	4.00%			
			Jun. 1, 2020	500,000	3.00%			
		Jun. 1, 2021	935,000	4.00%				
						\$ 12,194,000	1,400,000	10,794,000

Paid via Budget Appropriation \$ 1,400,000

\$ 1,400,000

BOROUGH OF EDGEWATER

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of lease payments outstanding		Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
2012 Refunding of 2003 issuance	May 1, 2012	385,000	Mar. 15, 2015	37,000	0.838%	377,000	35,000	342,000
			Mar. 15, 2016	41,000	1.237%			
			Mar. 15, 2017	44,000	1.637%			
			Mar. 15, 2018	49,000	2.108%			
			Mar. 15, 2019	52,000	0.236%			
			Mar. 15, 2020	57,000	2.659%			
			Mar. 15, 2021	62,000	2.959%			
						<u>\$ 377,000</u>	<u>35,000</u>	<u>342,000</u>

BOROUGH OF EDGEWATER
Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Date of original issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2013	Increased by:	Decreased by:	Balance, Dec. 31, 2014
1372	Dredging of the Edgewater Marina	Aug. 22, 2008	Jul. 25, 2014	Jul. 25, 2015	1.00%	2,198,713	2,052,000	2,198,713	2,052,000
1382	Dredging of the Edgewater Marina	Aug. 22, 2008	Jul. 25, 2014	Jul. 25, 2015	1.00%	1,842,802	1,736,920	1,842,802	1,736,920
1381	Various Capital Improvements	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	1,630,122	1,547,433	1,630,122	1,547,433
1387	Amend 1381: Various Capital Improvements	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	133,458	126,687	133,458	126,687
1407	Barrier Free Ramp Improvements (River Road)	Aug. 21, 2009	Jul. 25, 2014	Jul. 25, 2015	1.00%	110,500	104,000	110,500	104,000
1423	Improvements to Undercliff Avenue	Aug. 13, 2010	Jul. 25, 2014	Jul. 25, 2015	1.00%	40,200	37,900	40,200	37,900
1426	Acq. Of Various Equipment for New Municipal Complex	Aug. 13, 2010	Jul. 25, 2014	Jul. 25, 2015	1.00%	219,230	200,960	219,230	200,960
1443	Reconst. of Roads (Lasher Lane/Oldwood Rd)	Aug. 12, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	107,350	101,700	107,350	101,700
1450	Borough Hall Phase II Improvements	Aug. 12, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	249,945	241,326	249,945	241,326
1357	Acq. of a new Municipal Complex/Police Station	Dec. 6, 2011	Jul. 25, 2014	Jul. 25, 2015	1.00%	5,000,000	4,936,709	5,000,000	4,936,709
1357	Acq. of a new Municipal Complex/Police Station	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		120,000		120,000
1474	Improvements to Veteran's Field	Jul. 27, 2012	Jul. 25, 2014	Jul. 25, 2015	1.00%	8,098,555	8,098,555	8,098,555	8,098,555
1474	Improvements to Veteran's Field	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		1,115,935		1,115,935
1482	Various Improvements	Jul. 26, 2013	Jul. 25, 2014	Jul. 25, 2015	1.00%	544,125	544,125	544,125	544,125
1457	Imps. To Beverly Place Retaining Wall	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		152,000		152,000
1488/1497	Acquisition of Rescue Boat for Fire Department	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		121,000		121,000
1489/1496	Repairs to the Edgewater Marina	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		285,000		285,000
1498	Acquisition of a Trailer Mounted Generator	Jul. 25, 2014	Jul. 25, 2014	Jul. 25, 2015	1.00%		61,750		61,750
						\$ 20,175,000	21,584,000	20,175,000	21,584,000
							Cash		
							Renewed		
							Reserve for Payment of Notes - Grand Cove Marina (1226, 1272, 1327)	19,728,315	19,728,315
							Reserve for Payment of Notes - Ord. 1426	191,844	191,844
							Budget Appropriation	5,770	5,770
								249,071	249,071
						\$	21,584,000	20,175,000	21,584,000

BOROUGH OF EDGEWATER

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013		\$	1,451,656
Increased by:			
Cash Receipts	\$	2,272	
Transferred from Reserve for Receivables		<u>88,580</u>	
			<u>90,852</u>
			1,542,508
Decreased by:			
Utilized as Paydown on Note Renewal			<u>197,614</u>
Balance - December 31, 2014		\$	<u><u>1,344,894</u></u>

Analysis of Balance

Ord. 1381/1387	461,704
Ord. 1366	88,120
Ord. 1418	3,750
Ord. 1426	344,230
Ord. 1407	61,411
Ord. 1443	100,000
Ord. 1482	100,000
Ord. 1464	2,272
Ord. 1226, 1272, 1327	<u>183,407</u>
	\$ <u><u>1,344,894</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	10,484
Increased by:		
Interest Earned on Investments		<u>299</u>
Balance - December 31, 2014	\$	<u><u>10,783</u></u>

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	63,946
Increased by:		
Improvement Authorizations	\$	
Cancelled Ord. 1482/1510		2,250
2014 Budget Appropriations		<u>400,000</u>
		<u>402,250</u>
		466,196
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>200,000</u>
Balance - December 31, 2014	\$	<u><u>266,196</u></u>

BOROUGH OF EDGEWATER
Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Ordinance date	Amount	Balance, Dec. 31, 2013		2014 Authorizations	Expended	Cancelled	Balance, Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
1299	Various Capital Improvements	May 17, 2004	709,900	5,407					5,407	
1326	Various Capital Improvements	Nov. 21, 2005	1,627,000	929,553					929,553	
1357	Acquisition of Municipal Complex/Police Station	Feb. 20, 2007	5,500,000			12,025				269,818
1366	Separation of Combined Sewers	June 18, 2007	3,100,000	281,843					111,615	748,519
1381/1387	Various Capital Improvements	Mar. 18, 2008	3,060,000	584,128					40,192	584,029
1398	Acq./Installation of Marina Clock	Dec. 15, 2008	41,250			99				
1401	Undercliff Ave. Streetscape	Feb. 17, 2009	100,000	91,080					91,080	
1407	Barrier Free Improvements-River Road	Mar. 16, 2009	130,000	65,421						65,421
1413	Refunding bond Ordinance	May 18, 2009	2,800,000	283,430						283,430
1418	Sewer Repairs	June 15, 2009	725,000	33,750						33,750
1420	Sanitary Sewer Repairs	Sept. 21, 2009	550,000	84,076						84,076
1423	Improvements to Undercliff Avenue	Aug. 10, 2009	303,408	9,337						11,637
1426	Acquisition of various equipment for new municipal comp	Aug. 10, 2009	750,000	138,547		79,525				59,022
1438	Drainage Improvements, Old River Road	Sept. 20, 2010	200,000	50,115					50,115	
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	Sept. 20, 2010	113,000	804					139,971	804
1446	Various Acquisitions and Improvements	Oct. 18, 2010	1,299,000	139,971						
1450	Borough Hall Phase II Improvements	Feb. 22, 2011	1,000,000			34,537				21,252
1457	Imps. To Beverly Place Retaining Wall	June 20, 2011	160,000	55,789						12,938
1460	Imps. to the DPW and Community Center Parking Lots	Oct. 17, 2011	170,000	6,097					6,097	161,500
1463	Refunding Bond Ordinance	Nov. 14, 2011	8,300,000	903,684						903,684
1464	Improvements to the Municipal Pool	Dec. 19, 2011	65,000	59,786						59,786
1474/1514	Improvements to Veteran's Field	May 24, 2012	9,700,000	5,854,794		1,876,598				7,978,196
1477	Repairs to Fire Company No. 1	Sept. 15, 2014	4,000,000						100,000	
1482/1510	Various Improvements	Aug. 13, 2012	100,000	100,000						282,266
1484	Bulkhead Repairs at Marina	Nov. 19, 2012	805,000	289,445			(48,000)			
1488/1497	Acquisition of Rescue Boat for Fire Department	Nov. 19, 2012	290,411			289,445				6,853
1489/1496	Repairs to the Edgewater Marina	Nov. 19, 2012	510,000	22,612		15,759				46,133
1498	Acquisition of a Trailer Mounted Generator	Nov. 19, 2012	300,000	48,103		1,970				3,409
1499	Imps. To the Bulkhead at the Edgewater Marina	Nov. 19, 2012	65,000	5,783		2,374				118,750
1502	Various Acquisitions and Improvements	Nov. 19, 2012	125,000	5,865		4,621			1,244	479,805
1511	Post Sandy Planning Grant	Nov. 19, 2012	983,000	47,358		501,403				
		Aug. 11, 2014	30,000			502			29,498	
			\$	2,046,744	10,862,285	4,030,000	2,951,396	(48,000)	1,737,118	12,202,515

Capital Improvement Fund 200,000
 Grants 30,000
 Deferred Charges Unfunded 3,800,000
 \$ 4,030,000
 Cash Disbursements 2,951,396

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	<u>79,408</u>
Balance - December 31, 2014	\$	<u><u>79,408</u></u>

Schedule of Reserve for Receivables
General Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	694,471
Decreased by:		
Transferred to Reserve for payment of Debt		<u>88,580</u>
Balance - December 31, 2014	\$	<u><u>605,891</u></u>

<u>Analysis of Balance</u>		
CDBG - Undercliff Avenue Imps. (Valley to Hilliard)		100,000
Bergen County Open Space - Veteran's Field Imps.		<u>505,891</u>
	\$	<u><u>605,891</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authorizations	Decreased by:	Balance, Dec. 31, 2014
967	Various improvements	\$ 164			164
1262	Pension Refunding	2,681			2,681
1325	Various Capital Improvements	709			709
1357	Acquisition of Municipal Complex/Police Station	400,000		120,000	280,000
1359	Dissolution of the Edgewater Municipal Utilities Authority	2,172			2,172
1366	Separation of Combined Sewers	748,519			748,519
1372/1382	Dredging of Edgewater Marina	700			700
1381/1387	Various Capital Improvements	250			250
1413	Refunding Bond Ordinance	340,000			340,000
1418	Sewer Repairs	33,750			33,750
1420	Sanitary Sewer Repairs	45,000			45,000
1423	Improvements to Undercliff Avenue	250			250
1450	Borough Hall Phase II Improvements	1,805			1,805
1457	Imps. to Beverly Place Retaining Wall	152,000		152,000	
1460	Imps. to DPW and Community Center Parking Lots	161,500			161,500
1463	Refunding Bond Ordinance	905,000			905,000
1464	Improvements to Municipal Pool	61,750			61,750
1474	Improvements to Veteran's Field	1,116,445		1,115,935	510
1482/1510	Various Improvements	375		375	
1488/1497	Acquisition of Rescue Boat for Fire Department	121,000		121,000	
1489/1496	Repairs to the Edgewater Marina	285,000		285,000	
1498	Acquisition of a Trailer Mounted Generator	61,750		61,750	
1499	Imps. To the Bulkhead at the Edgewater Marina	118,750			118,750
1502	Various Acquisitions and Improvements	933,850			933,850
1514	Improvements to Veteran's Field		3,800,000		3,800,000
		<u>\$ 5,493,420</u>	<u>3,800,000</u>	<u>1,856,060</u>	<u>7,437,360</u>
	Improvement Authorizations		<u>3,800,000</u>		
			<u>\$ 3,800,000</u>		
	Cancelled via adoption of Ord. 1510			375	
	Sale of Bond Anticipation Notes			<u>1,855,685</u>	
				<u>\$ 1,856,060</u>	

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Operating Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	242,240
Cash Receipts:		
Membership/Slip Rentals	\$	394,884
Miscellaneous		<u>166</u>
		<u>395,050</u>
		637,290
Cash Disbursements:		
2014 Appropriations	\$	252,965
2013 Appropriation Reserves		19,601
Accrued Interest		<u>5,682</u>
		<u>278,248</u>
Balance - December 31, 2014	\$	<u><u>359,042</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	40,390
Cash Receipts:		
Interest on Investments		<u>38</u>
Balance - December 31, 2014	\$	<u><u>40,428</u></u>

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2014

Due from Federal Emergency Management Agency	(276,868)
Due to Marina Utility Operating Fund	708
Due to General Capital Fund	50,000
Fund Balance	3,202

Improvement authorizations:

Ordinance

number

Improvement description

1465	Acquisition of Marina Dredging Equipment	39,511
1467	Dredging of the Marina	<u>223,875</u>
		<u>\$ 40,428</u>

BOROUGH OF EDGEWATER
Schedule of 2013 Reserves - Operating
Marina Utility Operating Fund
Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 18	18		18
Other Expenses	<u>29,740</u>	<u>46,412</u>	<u>19,601</u>	<u>26,811</u>
	<u>\$ 29,758</u>	<u>46,430</u>	<u>19,601</u>	<u>26,829</u>
Appropriation Reserves		29,758		
Encumbrances		<u>16,672</u>		
		<u>\$ 46,430</u>		

BOROUGH OF EDGEWATER

Schedule of Accrued Interest

Marina Operating Utility Fund

Year ended December 31, 2014

Increased by:		
Budget Appropriation	\$	8,360
Decreased by:		
Cash Disbursements		<u>5,682</u>
Balance - December 31, 2014	\$	<u><u>2,678</u></u>

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2014</u>	<u>Rate</u>				
\$450,000					
Bond Anticipation Note	various	7/25/14	12/31/14	<u><u>1,950</u></u>	<u><u>2,678</u></u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	Balance, Dec. 31, <u>2014</u>
Marina Utility Capital Fund	\$ <u>(670)</u>	<u>38</u>	<u>(708)</u>
	\$ <u><u>(670)</u></u>	<u><u>38</u></u>	<u><u>(708)</u></u>
Interest on Investments		<u><u>38</u></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, 2014

Balance - December 31, 2013	\$ <u>276,868</u>
Balance - December 31, 2014	\$ <u><u>276,868</u></u>

BOROUGH OF EDGEWATER
Schedule of Interfunds (Receivable)/Payable
Marina Utility Capital Fund
Year ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	Balance, Dec. 31, <u>2014</u>
Marina Utility Operating	\$ 670	38	708
General Capital Fund	<u>50,000</u>	<u> </u>	<u>50,000</u>
	<u>\$ 50,670</u>	<u>38</u>	<u>50,708</u>
Interest on Investments		<u>38</u>	

BOROUGH OF EDGEWATER

**Schedule of Fixed Capital Authorized
and Uncompleted**

Marina Utility Capital Fund

Year ended December 31, 2014

Balance - December 31, 2013 \$ 1,192,996

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

Analysis of Balance

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

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2014

Balance - December 31, 2013	\$	16,672
Increased by:		
Transferred from Budget		4,253
		20,925
Decreased by:		
Transferred to Appropriation Reserves		16,672
Balance - December 31, 2014	\$	4,253

BOROUGH OF EDGEWATER
Schedule of Improvement Authorizations

Marina Utility Capital Fund
Year ended December 31, 2014

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2013</u>		<u>Balance Dec. 31, 2014</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
1465	Acquisition of Marina Dredging Equipment	Dec. 19, 2011	450,000 \$		39,511		39,511
1467	Dredging of the Marina	Mar. 5, 2012	742,996	223,875		223,875	
			\$	<u>223,875</u>	<u>39,511</u>	<u>223,875</u>	<u>39,511</u>

BOROUGH OF EDGEWATER
Schedule of Deferred Reserve for Amortization
Marina Utility Capital Fund
Year ended December 31, 2014

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2013</u>	Balance Dec. 31, <u>2014</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		\$ <u><u>742,996</u></u>	<u><u>742,996</u></u>

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

Marina Utility Capital Fund

Year ended December 31, 2014

Ordinance number	Improvement description	Date of original issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2013	Increased by:	Decreased by:	Balance, Dec. 31, 2014
1465	Acquisition of a Dredging Boat	Jul. 27, 2012	Jul. 25, 2014	Jul. 24, 2015	1.00%	\$ 450,000	450,000	450,000	450,000
						\$ 450,000	450,000	450,000	450,000
							Renewals 450,000	450,000	450,000

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2014

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2013	\$ <u>3,172</u>	<u>51,051</u>	<u>54,223</u>
Increased by:			
State Aid for Public Assistance		46,030	46,030
Interest Earned	<u>8</u>	<u>8</u>	<u>8</u>
	<u>8</u>	<u>46,030</u>	<u>46,038</u>
	3,180	97,081	100,261
Decreased by:			
Public Assistance		<u>67,011</u>	<u>67,011</u>
Balance - December 31, 2014	\$ <u><u>3,180</u></u>	<u><u>30,070</u></u>	<u><u>33,250</u></u>

BOROUGH OF EDGEWATER

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

Public Assistance Fund

Period ended December 31, 2014

Balance - December 31, 2014		\$	33,250
Increased by receipts:			
State Aid	\$	13,300	
Interest Earned		<u>4</u>	
			<u>13,304</u>
			46,554
Decreased by:			
General Assistance			<u>24,121</u>
Balance - June 30, 2015		\$	<u><u>22,433</u></u>

<u>Reconciliation - June 30, 2015</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Bank of America			
a/c no. 0469000414	\$	22,094	22,094
Mariner's Bank			
a/c no. 1400000756	<u>3,185</u>	<u> </u>	<u>3,185</u>
	<u>3,185</u>	<u>22,094</u>	<u>25,279</u>
Less: Outstanding Checks	<u> </u>	<u>2,846</u>	<u>2,846</u>
Balance - June 30, 2015	\$ <u><u>3,185</u></u>	<u><u>19,248</u></u>	<u><u>22,433</u></u>

BOROUGH OF EDGEWATER

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Period ended December 31, 2014

Balance - December 31, 2013		\$	54,223
Increased by receipts:			
State aid	\$	46,030	
Interest Earned		<u>8</u>	
			<u>46,038</u>
			100,261
Decreased by:			
General Assistance			<u>67,011</u>
Balance - December 31, 2014		\$	<u><u>33,250</u></u>

<u>Reconciliation - December 31, 2014</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Mariner's Bank			
a/c no. 1400000756	\$	3,181	3,181
Bank of America			
a/c no. 0469000414		<u>32,705</u>	<u>32,705</u>
		<u>3,181</u>	<u>35,886</u>
Less: Outstanding Checks		<u>2,636</u>	<u>2,636</u>
Balance - December 31, 2014	\$	<u><u>3,181</u></u>	<u><u>30,069</u></u>
			<u><u>33,250</u></u>

BOROUGH OF EDGEWATER
Statement of Public Assistance Revenues
Public Assistance Fund
Year ended December 31, 2014

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
State Aid Payments	\$	46,030	46,030
Less: Refunds to the State			
Net State Aid Payments	<u> </u>	<u>46,030</u>	<u>46,030</u>
Interest Earned	<u>8</u>	<u> </u>	<u>8</u>
Total revenues (PATF)	<u>\$ 8</u>	<u>46,030</u>	<u>46,038</u>

Statement of Public Assistance Expenditures
Public Assistance Fund
Period ended December 31, 2014

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Payments for Current Year Assistance (Reported):			
Maintenance payments	\$	35,410	35,410
Temporary Rent Assistance		24,541	24,541
Transportation		218	218
Emergency Assistance		6,842	6,842
Total Payments Reported	<u> </u>	<u>67,011</u>	<u>67,011</u>
Total Disbursements	<u>\$</u>	<u>67,011</u>	<u>67,011</u>

Exhibit F-1

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Sewer Facilities Grant Fund

Year ended December 31, 2014

Balance - December 31, 2013 \$ 74,501

Balance - December 31, 2014 \$ 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, 2014

Balance - December 31, 2013 \$ 74,501

Balance - December 31, 2014 \$ 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, 2014

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

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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, 2014 and the related notes to the financial statements, and have issued our report thereon dated June 25, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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



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

BOROUGH OF EDGEWATER

GENERAL COMMENTS

Contracts and Agreements

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

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

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

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

BOROUGH OF EDGEWATER
GENERAL COMMENTS, (continued)

Effective January 1, 2011, 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 \$36,000.

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:

- Old River Road Improvements
- Purchase of a New Bucket Loader
- Purchase of a New Mechanical Street Sweeper
- Removal of Existing Roof and Installation of a New (3) Tab Roof at the Community Center
- Purchase of a New Roll Off Container Truck
- Remediation of Veteran's Field
- 2015 Ford 100 E Super Type III Ambulance
- Reconstruction of Little League Field at Veteran's Field
- Certified Clean Quarry Process Stone for Veteran's Field Remediation and Restoration

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 3, 2014.

"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 12, 2014 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, 2014	5
December 31, 2013	5
December 31, 2012	6

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

BOROUGH OF EDGEWATER

COMMENTS

Finance/Accounts Payable/Payroll:

- 1.* There are unfunded ordinances over five years old for which expenditures have been made that have not been funded.
2. An overexpenditure of \$33,392 occurred in the 2014 budget appropriation for other insurance premiums.
3. There were instances in which budget offsets were posted in excess of expenditures incurred.
4. There are old grant receivables outstanding in the General Capital Fund.
5. Improvement authorization balances per the budgetary capital authorization report are, in most instances, not in agreement with audited balances.

Departments

Police Records Bureau:

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

Building Department:

1. The Department is not remitting all permit revenue collections to the Finance office prior to year end.

Municipal Court

1. Our review of the December ATS/ACS Monthly Management Reports revealed the following:
 - a. There are 197 tickets eligible for dismissal.
 - b. There are 1040 tickets assigned have not been issued and are over 180 days old.

BOROUGH OF EDGEWATER

RECOMMENDATIONS

Finance/Accounts Payable/Payroll:

- 1.* Steps be taken to fund those unfunded ordinances over five years old for which expenditures have been made.
2. Available spending appropriations be reviewed more closely to ensure adequate funds are available for expenditures.
3. Greater care be taken in the posting of budget offsets to ensure that the posting of offsets does not cause the line item appropriation to exceed the adopted budget appropriation.
4. Old outstanding grant receivables be investigated for possible collection.
5. Finance personnel review available improvement authorization balances in the system to those in the audit and adjustments be made to bring the balances into agreement.

Departments

Police Records Bureau:

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

Building Department:

1. All departmental revenue be remitted to the Treasurer prior to year end.

Municipal Court

1. The ATS/ACS Monthly Management Reports be reviewed and the following steps be taken:
 - a. All tickets eligible for dismissal be processed accordingly.
 - b. All tickets assigned over six months old not issued should be recalled by the Court Administrator.

BOROUGH OF EDGEWATER

Status of Prior Year Audit Findings/Recommendations

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

Acknowledgment

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

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



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

June 25, 2015