

BOROUGH OF EDGEWATER

**Financial Statements With
Supplementary Information**

December 31, 2021

(With Independent Auditors' Reports Thereon)

BOROUGH OF EDGEWATER

Table of Contents

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

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>General Fixed Assets Account Group</u>	
G	Statement of General Fixed Assets - Regulatory Basis	30
	Notes to Financial Statements	31-69
	Supplementary Data	70-75
	<u>Current Fund</u>	
A-4	Schedule of Cash - Collector/Treasurer	76
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	77
A-6	Schedule of Tax Title Liens	78
A-7	Schedule of Revenue Accounts Receivable	79
A-8	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	80
A-9	Schedule of Local District School Tax Payable/(Receivable)	80
A-10	Schedule of County Taxes Payable	81
A-11	Schedule of Due County for Added and Omitted Taxes	81
A-12	Schedule of Appropriation Reserves	82-84
A-13	Schedule of Reserve for Encumbrances	85
A-14	Schedule of Tax Overpayments	85
A-15	Schedule of Prepaid Taxes	86
A-16	Schedule of Due to the State - Marriage License Fees	86
A-17	Schedule of Property Acquired for Taxes - Assessed Valuation	87
A-18	Schedule of Reserve for Tax Title Lien Premium	87
A-19	Schedule of Interfunds	88
A-20	Schedule of Various Reserves	89
A-21	Schedule of Accounts Payable	90
A-22	N.J.S.A. 40A:4-46 Emergency Authorization	91
A-23	Schedule of Deferred Charges – N.J.S.A. 40A:4-53 Special Emergency Authorizations	92
A-24	Schedule of Special Emergency Notes	93
A-25	Schedule of Grants Receivable - State and Federal Grant Fund	94
A-26	Schedule of Due from/(to) Current Fund	95
A-27	Schedule of Appropriated Grant Reserves - State and Federal Grant Fund	96-97
A-28	Schedule of Unappropriated Grant Reserves - State and Federal Grant Fund	98

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>Trust Funds</u>	
B-1	Schedule of Cash - Treasurer	99
B-2	Schedule of Reserve for Expenditures - Animal License Fund	100
B-3	Schedule of Due to State of New Jersey - Animal License Fees	101
B-4	Schedule of Reserve Escrow Deposits	101
B-5	Schedule of Interfunds Receivable/(Payable) Trust Funds	102
B-6	Schedule of Miscellaneous Reserves	103
B-7	Statement of Service Award Contributions Receivable - Emergency Services Length of Service Award Program	104
B-8	Statement of Net Assets Available for Benefits - Emergency Services Length of Service Award Program	104
	<u>General Capital Fund</u>	
C-2	Schedule of Cash - Treasurer	105
C-3	Schedule of General Capital Fund Cash	106
C-4	Schedule of Deferred Charges to Future Taxation - Funded	107
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	108
C-6	Schedule of Grants Receivable - New Jersey Department of Transportation	109
C-7	Schedule of Grants Receivable - New Jersey Department of Environmental Protection	109
C-8	Schedule of Community Development Block Grant Receivables	110
C-9	Schedule of Amount Due from the Federal Emergency Management Agency - Ord. 1484	110
C-10	Schedule of Bergen County Open Space/Historical Preservation Grant Receivables	111
C-11	Schedule of Interfunds	112
C-12	Schedule of Overexpenditure of Ordinance Appropriation	113
C-13	Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable	114-116

BOROUGH OF EDGEWATER

Table of Contents, Continued

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>General Capital Fund, (continued)</u>	
C-14	Schedule of Green Trust Loans Payable	117-119
C-15	Schedule of Serial Bonds	120-121
C-16	Schedule of Capital Leases Payable	122
C-17	Schedule of Bond Anticipation Notes	123
C-18	Schedule of Reserve for Payment of Debt	124
C-19	Schedule of Reserve for Green Acres	125
C-20	Schedule of Capital Improvement Fund	125
C-21	Schedule of Improvement Authorizations	126
C-22	Schedule of Unappropriated Grant	127
C-23	Schedule of Reserve for Grant Receivables	127
C-24	Schedule of Bonds and Notes Authorized but not Issued	128
	<u>Marina Utility Fund</u>	
D-5	Schedule of Cash - Collector - Treasurer - Operating Fund	129
D-6	Schedule of Cash - Collector - Treasurer - Capital Fund	130
D-7	Schedule of Marina Utility Capital Fund Cash	131
D-8	Schedule of Interfunds Receivable/(Payable) - Operating Fund	132
D-9	Schedule of Grants Receivable - Operating Fund	133
D-10	Schedule of 2020 Reserves - Operating Fund	134
D-11	Schedule of Encumbrances Payable	135
D-12	Schedule of Prepaid Slip Revenue	135
D-13	Schedule of Accrued Interest on Bonds – Operating Utility Fund	136
D-14	Schedule of Deferred Charges – Deficit in Operations N.J.S.A. 409A:4-35	137
D-15	Schedule of Amount Due from the Federal Emergency Management Agency - Ord.1467	138
D-16	Schedule of Fixed Capital Authorized and Uncompleted Capital Fund	139
D-17	Schedule of Interfunds (Receivable)/Payable Utility Capital Fund	140
D-18	Schedule of Improvement Authorizations	141
D-19	Schedule of Reserve for Amortization	142
D-20	Schedule of Deferred Reserve for Amortization	142
D-21	Schedule of Serial Bonds	143

BOROUGH OF EDGEWATER

Table of Contents, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Part I (Cont.)</u>	
	<u>Public Assistance Fund</u>	
E-1	Schedule of Cash - Treasurer	144
E-2	Schedule of Reserve for Public Assistance	145
	<u>Sewer Facilities Grant Fund</u>	
F-1	Schedule of Grants Receivable	146
F-2	Schedule of Reserve for Grant Expenditures	146
	<u>Part II</u>	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	147-148
	General Comments	149-151
	Comments	152
	Recommendations	152
	Status of Prior Years Audit Findings/Recommendations	153
	Acknowledgment	153



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Edgewater, as of December 31, 2021 and 2020, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues -regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Edgewater as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,512,853 and \$1,377,204 for 2021 and 2020, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account groups as of December 31, 2021 and 2020, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Other Information

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



Honorable Mayor and
Members of the Borough Council
Page 4.

comprise the Borough of Edgewater's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022 on our consideration of the Borough of Edgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Edgewater's internal control over financial reporting and compliance.



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



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

October 13, 2022



BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2021</u>	Dec. 31, <u>2020</u>
Current Fund:			
Cash	A-4	\$ 12,296,051	11,191,133
Petty Cash		250	250
Change Funds		200	200
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	<u>36,213</u>	<u>36,218</u>
		<u>12,332,714</u>	<u>11,227,801</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,622,793	2,016,702
Property Acquired for Taxes - Assessed Valuation	A-17	3,844,775	3,844,775
Tax Title Liens	A-6	70,777	90,592
Revenue Accounts Receivable	A-7	229,069	221,302
Interfunds Receivable	A-19	<u>47,115</u>	<u>25,511</u>
		<u>5,814,529</u>	<u>6,198,882</u>
Deferred Charges:			
Emergency Appropriations	A-22		100,000
Special Emergency Authorizations	A-23	<u>1,344,575</u>	<u>1,394,575</u>
		<u>1,344,575</u>	<u>1,494,575</u>
		<u>19,491,818</u>	<u>18,921,258</u>
State and Federal Grant Fund:			
Grants Receivable	A-25	192,199	81,716
Due from Current Fund	A-26	<u>1,037,262</u>	<u>340,039</u>
		<u>1,229,461</u>	<u>421,755</u>
		<u>\$ 20,721,279</u>	<u>19,343,013</u>

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2021</u>	<u>Dec. 31,</u> <u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3,A-12	\$ 2,662,474	1,980,433
Local School District Tax Payable	A-9	65,400	70,866
Encumbrances Payable	A-13	340,767	778,721
County Added and Omitted Taxes Payable	A-11	13,939	81,700
Tax Overpayments	A-14	36,430	245,488
Prepaid Taxes	A-15	554,131	585,184
Marriage License Fees Payable	A-16	350	475
Reserve for Tax Title Lien Premium	A-18	238,000	257,900
Interfund Payables:	A-19	1,518,800	680,998
Various Miscellaneous Reserves	A-20	1,147,486	1,258,147
Accounts Payable	A-21	21,937	21,937
Special Emergency Notes	A-24		250,000
		<hr/>	<hr/>
		6,599,714	6,211,849
Reserve for Receivables and Other Assets	A	5,814,529	6,198,882
Fund Balance	A-1	7,077,575	6,510,527
		<hr/>	<hr/>
		19,491,818	18,921,258
State and Federal Grant Fund:			
Appropriated Reserves	A-27	412,979	343,868
Encumbrances Payable	A-27	47,548	
Unappropriated Reserves	A-28	768,934	77,887
		<hr/>	<hr/>
		1,229,461	421,755
		<hr/>	<hr/>
		\$ 20,721,279	19,343,013
		<hr/>	<hr/>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2021

	Dec. 31, <u>2021</u>	Dec. 31, <u>2020</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,300,000	3,800,000
Miscellaneous Revenue Anticipated	4,040,310	4,001,060
Receipts from Delinquent Taxes	2,041,654	1,752,819
Receipts from Current Taxes	65,749,131	55,724,389
Nonbudget Revenues	658,512	652,655
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,660,010	610,616
Interfunds Returned		13,543
COVID-19 Special Emergency		1,144,575
Liabilities Canceled	<u>432,852</u>	
Total Revenue	<u>77,882,469</u>	<u>67,699,657</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	10,857,996	9,766,979
Other Expenses	13,021,878	13,068,636
Deferred Charges and Statutory Expenditures	2,612,927	2,968,365
Capital Improvements	200,000	200,000
Municipal Debt Service	4,739,404	4,929,296
County Taxes	9,840,493	10,074,239
Due County for Added Taxes	13,939	81,700
Local District School Taxes	32,705,368	23,385,226
Interfund Advanced		29,000
Refund Prior Year Revenue	<u>23,416</u>	<u>263,168</u>
Total Expenditures	<u>74,015,421</u>	<u>64,766,609</u>
Excess in Revenue	<u>3,867,048</u>	<u>2,933,048</u>
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		<u>350,000</u>
Statutory Excess to Surplus	3,867,048	3,283,048
Fund Balance - January 1,	<u>6,510,527</u>	<u>7,027,479</u>
	10,377,575	10,310,527
Decreased by Utilization as Anticipated Revenue	<u>3,300,000</u>	<u>3,800,000</u>
Fund Balance - December 31,	<u>\$ 7,077,575</u>	<u>6,510,527</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 3,300,000	3,300,000	
Miscellaneous Revenues:			
Licenses:			
Other	40,000	68,372	28,372
Fees and Permits:			
Other	250,000	304,569	54,569
Construction Code Official	500,000	469,112	(30,888)
Fines and Costs Municipal Court	150,000	104,591	(45,409)
Interest and Costs on Taxes	200,000	450,347	250,347
Interest on Investments and Deposits	15,000	9,406	(5,594)
Consolidated Municipal Property Tax Relief Aid	62,212	53,313	(8,899)
Energy Receipts Tax	688,519	697,418	8,899
Recycling Tonnage Grant	30,281	30,281	
Clean Communities	21,842	21,842	
Alcohol Education and Rehabilitation	834	834	
Body Worn Camera	105,976	105,976	
Municipal Alliance	8,087	8,087	
Impaired Driving Countermeasure	4,400	4,400	
Distracted Driving Crackdown Grant	5,500	5,500	
Body Armor Replacement Fund	3,018	3,018	
Uniform Fire Safety Act	35,000	43,470	8,470
Commercial Sewer Fees	400,000	387,950	(12,050)
General Capital Fund Balance	500,000	500,000	
Hotel Tax	300,000	359,732	59,732
PILOT Payments - Waterview Towers	400,000	412,092	12,092
Total Miscellaneous Revenues	<u>3,720,669</u>	<u>4,040,310</u>	<u>319,641</u>
Receipts from Delinquent Taxes	<u>1,900,000</u>	<u>2,041,654</u>	<u>141,654</u>
Subtotal General Revenues	8,920,669	9,381,964	461,295
Amount to be Raised by Taxes for Support of Municipal			
Budget - Local Tax for Municipal Purposes			
Including Reserve for Uncollected Taxes	23,509,788		
Minimum Library Tax	1,199,950	25,340,831	631,093
Budget Totals	33,630,407	34,722,795	1,092,388
Non-Budget Revenue		<u>658,512</u>	<u>658,512</u>
	<u>\$ 33,630,407</u>	<u>35,381,307</u>	<u>1,750,900</u>
Adopted Budget	33,467,800		
Appropriated by N.J.S.A. 40A:4-87	<u>162,607</u>		
	<u>\$ 33,630,407</u>		

BOROUGH OF EDGEWATER
Statement of Revenues - Regulatory Basis
Current Fund
Year ended December 31, 2021

Analysis of Realized Revenue

Allocation of Current Tax Collections;	
Revenue from Collections	\$ 65,749,131
Allocated to:	
Local District School Tax	32,705,368
County Taxes	9,854,432
	<u>42,559,800</u>
Balance for Support of Municipal Budget Appropriations	23,189,331
Reserve for Uncollected Taxes	<u>2,151,500</u>
	<u>\$ 25,340,831</u>
Receipts from:	
Delinquent Tax Collections	\$ 2,016,702
Tax Title Liens	24,952
	<u>\$ 2,041,654</u>

Analysis of Miscellaneous Revenue Not Anticipated

Police Fees	\$ 2,686
PILOT	6,498
Miscellaneous	12,992
Parking Permits	6,600
Water Damage	20,000
Cable TV	103,810
Polling Place Rental	160
Credit Card Fees	224
Parking Meters	26,734
Refund from DTC	55,859
Ambulance Fees	114,226
State Housing	14,557
Circus Fees	1,960
Board of Health	61,000
B Med Insurance	206,544
CARES Act	20,099
Electric Car Meters	4,563
	<u>\$ 658,512</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 556,920	496,816	491,537	5,279	
Other Expenses	291,250	291,250	254,438	36,812	
Mayor and Council:					
Salaries and Wages	94,860	94,860	94,767	93	
Elections:					
Salaries and Wages	5,000	5,000	3,058	1,942	
Other Expenses	7,560	14,680	14,679	1	
Financial Administration:					
Annual Audit	35,000	35,000	6,365	28,635	
Other Expenses	75,000	82,000	81,775	225	
Collection of Taxes:					
Salaries and Wages	135,000	135,000	131,703	3,297	
Other Expenses	41,200	41,200	36,594	4,606	
Assessment of Taxes:					
Salaries and Wages	98,940	98,940	91,171	7,769	
Other Expenses:					
Consultant and Legal Fees-Tax Appeals	60,000	60,000	46,873	13,127	
Miscellaneous Other Expenses	25,100	25,100	10,529	14,571	
Legal Services and Costs:					
Other Expenses	695,000	695,000	405,466	289,534	
Engineering Service and Cost:					
Miscellaneous Other Expenses	200,000	200,000	189,221	10,779	
Insurance:					
Hospitalization	3,300,000	3,300,000	2,949,522	350,478	
Other Insurance	753,310	753,310	745,097	8,213	
Public Building and Grounds:					
Other Expenses	288,900	288,900	265,972	22,928	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	7,650	9,566	9,565	1	
Other Expenses	18,000	18,000	4,672	13,328	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Expended</u>		
			<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Zoning Board:					
Salaries and Wages	19,300	19,300	15,531	3,769	
Other Expenses	34,400	34,400	17,948	16,452	
Rent Leveling Board:					
Salaries and Wages	7,650	7,650	7,215	435	
Other Expenses	9,700	9,700	622	9,078	
Housing Inspector:					
Salaries and wages	10,000	10,000		10,000	
Other Expenses	3,500	3,500		3,500	
PUBLIC SAFETY:					
Fire:					
Salaries and Wages	421,380	421,380	410,064	11,316	
Other Expenses	267,500	267,500	226,145	41,355	
Fire Hydrant Services	192,000	192,000	156,835	35,165	
Volunteer First Aid:					
Salaries and Wages	411,000	432,837	432,836	1	
Other Expenses	133,100	133,100	102,433	30,667	
Fire Prevention:					
Other Expenses	38,500	38,500	30,753	7,747	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Expended</u>		
			<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Police:					
Salaries and Wages	5,774,500	5,774,500	5,419,966	354,534	
Other Expenses:					
Miscellaneous Other Expenses	313,700	363,700	333,192	30,508	
Automobiles	80,200	80,200	47,518	32,682	
Emergency Management Services:					
Salaries and Wages	6,000	6,000	5,095	905	
Other Expenses	3,000	3,000	341	2,659	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,999,000	1,999,000	1,995,242	3,758	
Other Expenses	232,700	232,700	199,851	32,849	
Snow Removal - Other Expenses	83,000	83,000	52,652	30,348	
Health and Welfare:					
Board of Health:					
Salaries and Wages	147,900	147,900	65,945	81,955	
Other Expenses	175,600	175,600	113,308	62,292	
Dog Regulation - Other Expenses	9,500	9,500	3,993	5,507	
Administration of Public Assistance:					
Emergency Assistance	1,500	1,500		1,500	
Recreation and Education:					
Parks and Playgrounds - Other Expenses	103,200	103,200	85,875	17,325	
Recreation:					
Salaries and Wages	520,000	490,000	310,391	179,609	
Other Expenses	208,900	208,900	88,040	120,860	
Celebration of Public Event, Anniversary or Holiday - Other Expenses	21,000	32,071	32,071		

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Expended</u>		
			<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Senior Citizens Committee:					
Other Expenses	34,350	35,350	34,496	854	
Sanitation:					
Garbage and Trash removal:					
Other Expenses	900,000	900,000	794,432	105,568	
Recycling Program:					
Salaries and Wages	53,000	53,000	51,577	1,423	
Municipal Court					
Salaries and Wages	177,000	177,000	152,138	24,862	
Other Expenses	25,000	25,000	11,134	13,866	
Occupational Safety Health Act					
Board of Health - Other Expenses	2,000	2,000		2,000	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code Official:					
Salaries and Wages	378,000	378,000	346,940	31,060	
Other Expenses	104,500	104,500	64,874	39,626	
UNCLASSIFIED:					
Utilities:					
Gas & Electric	390,000	390,000	270,658	119,342	
Street Lighting	225,000	225,000	188,547	36,453	
Water	110,000	110,000	87,745	22,255	
Fuel	120,000	120,000	90,749	29,251	
Telephone	280,700	280,700	267,447	13,253	
Pilots - Bergen County 5%	36,000	49,913	49,913		
Salary and Wage Adjustment	125,000	101,247		101,247	
Total Operations within "CAPS"	20,876,970	20,876,970	18,397,516	2,479,454	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent-within "CAPS"	20,881,970	20,881,970	18,397,516	2,484,454	
Detail:					
Salaries & Wages	10,948,100	10,857,996	10,034,741	823,255	
Other Expenses (Including Contingent)	9,933,870	10,023,974	8,362,775	1,661,199	
	20,881,970	20,881,970	18,397,516	2,484,454	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES:					
Emergency Authorizations	2,827	2,827	2,827		
Expenditure Without Appropriation - General Capital	6,208	6,208	5,603		605
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	610,627	610,627	559,154	51,473	
Social Security System (O.A.S.I.)	517,173	517,173	494,735	22,438	
Police and Firemen's Retirement System	1,322,197	1,322,197	1,322,197		
Unemployment Insurance	4,500	4,500	(32)	4,532	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,463,532	2,463,532	2,384,484	78,443	605
Total General Appropriations for Municipal Purposes within "CAPS"	23,345,502	23,345,502	20,782,000	2,562,897	605

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Operations-Excluded from "CAPS"					
Maintenance of Free Public Library	1,199,950	1,199,950	1,106,174	93,776	
LOSAP	84,000	84,000	78,200	5,800	
Reserve for Tax Appeals	200,000	200,000	200,000		
Bergen County Utilities Authority-Share of Costs -Sewer Operating	1,333,122	1,333,122	1,333,121	1	
Total Operations-Excluded from "CAPS"	2,817,072	2,817,072	2,717,495	99,577	
Public and Private Programs Offset with Revenues:					
Clean Community Program	21,842	21,842	21,842		
Body Worn Camera	105,976	105,976	105,976		
Body Armor	3,018	3,018	3,018		
Distracted Driving	5,500	5,500	5,500		
Impaired Driving	4,400	4,400	4,400		
Recycling Tomage	30,281	30,281	30,281		
Municipal Alliance					
Other Expenses	4,474	4,474	4,474		
Matching Funds	4,507	4,507	4,507		
Alcohol Education Rehabilitation Fund	834	834	834		
Total Public and Private Programs Offset with Revenue	180,832	180,832	180,832		
Total Operations-Excluded from "CAPS"	2,997,904	2,997,904	2,898,327	99,577	
Detail:					
Other Expenses	2,997,904	2,997,904	2,898,327	99,577	

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

Description	Budget	Budget after Modifications	Expended		Cancelled
			Paid or Charged	Reserved	
Capital Improvements-Excluded from "CAPS"					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements Excluded from "CAPS"	200,000	200,000	200,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	3,070,000	3,070,000	3,070,000		28,658
Interest on Bonds	1,300,000	1,300,000	1,271,342		
Interest on Notes	60,000	60,000	60,000		
Green Trust Loan Program	92,500	92,500	90,610		1,890
BCIA					
Principal	62,000	62,000	62,000		
Interest	1,000	1,000	917		83
New Jersey Infrastructure Trust Loan					
Principal	175,000	175,000	175,000		
Interest	25,000	25,000	9,534		15,466
Total Municipal Debt Service-Excluded from "CAPS"	4,785,500	4,785,500	4,759,403		46,097
Deferred Charges:					
Emergency Authorization	100,000	100,000	100,000		
Special Emergency Authorization - 5 Years	50,000	50,000	50,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	150,000	150,000	150,000		
Transferred to Board of Education for Use of Local Schools					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,133,404	8,133,404	7,987,730	99,577	46,097
Subtotal General Appropriations	31,478,906	31,478,906	28,769,730	2,662,474	46,702

BOROUGH OF EDGEWATER

Statement of Expenditures - Regulatory Basis

Current Fund

Year ended December 31, 2021

Description	Budget	Budget after Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Reserve for Uncollected Taxes	2,151,500	2,151,500	2,151,500		
Total General Appropriations	\$ 33,630,406	33,630,406	30,921,230	2,662,474	46,702
Adopted Budget	33,467,800				
Added by N.J.S.A. 40A: 4-87	162,606				
	\$ 33,630,406				
Analysis of Paid or Charged					
Federal and State Grant Fund			180,832		
Deferred Charges			150,000		
Transfer to Reserve for Overpayments			200,000		
Reserve for Uncollected Taxes			2,151,500		
Reserve for Encumbrances			340,767		
Cash			27,898,131		
			\$ 30,921,230		

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal License Fund:			
Cash	B-1	\$ <u>90</u>	<u>101</u>
Escrow Trust Fund:			
Cash	B-1	<u>152,156</u>	<u>202,925</u>
Other Trust Funds:			
Cash	B-1	847,923	794,911
Interfunds Receivable	B-5	991	2,141
		<u>848,914</u>	<u>797,052</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,446,153	1,299,004
Contributions Receivable	B-7	<u>66,700</u>	<u>78,200</u>
		<u>1,512,853</u>	<u>1,377,204</u>
		<u>\$ 2,514,013</u>	<u>2,377,282</u>

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	74	96
Due to State of New Jersey	B-3	16	5
		<u>90</u>	<u>101</u>
Escrow Trust Fund:			
Escrow Deposits	B-4	152,095	202,882
Due to Current Fund	B-5	61	43
		<u>152,156</u>	<u>202,925</u>
Other Trust Funds:			
Interfunds Payable	B-5	59,110	57,682
Reserve for:			
Cemetery Bequests	B-6	6,189	16,939
Bullet Proof Vests	B-6	5,019	17,062
Ferry Performance Security	B-6	195,447	195,447
Fire Prevention	B-6	7,263	5,436
POAA	B-6	13,007	12,997
Cultural and Historical Society	B-6	1,152	1,152
Regional Contribution Agreement	B-6	332,197	332,197
Council on Affordable Housing	B-6	61,353	63,074
Recycling Fees	B-6	17,100	19,000
Recycling	B-6	46,778	20,520
Bergen County CDA Trust	B-6	102	102
Flexible Spending Trust	B-6	46,435	36,152
Municipal Alliance Trust	B-6	8,373	8,374
Shade Tree	B-6	12,010	7,809
Police Confiscated	B-6	3,957	3,109
Police Confiscated	B-6	33,422	
		<u>848,914</u>	<u>797,052</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-8	1,512,853	1,377,204
		<u>\$ 2,514,013</u>	<u>2,377,282</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2,021</u>	<u>2020</u>
Cash:			
Checking	C-2,C-3	\$ 6,725,362	6,960,459
Deferred Charges to Future Taxation:			
Funded	C-4	37,485,376	40,850,050
Unfunded	C-5	10,465,331	4,342,362
Grants Receivable:			
New Jersey Department of Transportation	C-6	283,973	346,497
New Jersey Department of Environmental Protection	C-7	115,000	
Community Development Block Grant	C-8	152,907	7,336
Federal Emergency Management Agency	C-9	7,336	72,907
Bergen County Open Space/Historical Preservation	C-10	512,057	
Interfunds Receivable	C-11	512,761	371,032
Over-Expenditure of Ordinance Appropriation	C-12		2,827
		<u>\$ 56,260,103</u>	<u>52,953,470</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-11	28,050	31,057
New Jersey Environmental Infrastructure Trust			
Loans Payable	C-13	1,015,419	1,179,708
Green Trust Loan Payable	C-14	1,059,958	1,128,343
Serial Bonds Payable	C-15	35,410,000	38,480,000
Capital Leases Payable	C-16		62,000
Bond Anticipation Notes	C-17	4,268,000	3,660,000
Reserve for Payment of Debt	C-18	2,277,527	1,388,909
Reserve for Green Acres	C-19	19,978	17,316
Capital Improvement Fund	C-20	1,761,888	1,866,966
Improvement Authorizations:			
Funded	C-21	1,240,787	1,407,864
Unfunded	C-21	7,644,239	2,552,379
Unappropriated State Grant	C-22	79,408	79,408
Reserve for Grants Receivable	C-23	1,049,172	239,012
Fund Balance	C-1	405,677	860,508
		<u>\$ 56,260,103</u>	<u>52,953,470</u>

There were \$6,197,331 and \$682,362 of Bonds and Notes Authorized But Not Issued December 31, 2021 and 2020 (Exhibit C-24).

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Balance - January 1,	\$ 860,508	1,323,323
Increased by Receipts:		
Unexpended Note Proceeds Cancelled	224	
Premium Received on Sale of:		
Bond Anticipation Notes	<u>44,945</u>	<u>37,185</u>
	<u>45,169</u>	<u>37,185</u>
	905,677	1,360,508
Decreased by Disbursements:		
Budget Revenue Realized	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>
Balance - December 31,	<u>\$ 405,677</u>	<u>860,508</u>

See accompanying notes to the financial statements

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Marina Utility Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>Dec 31,</u> <u>2021</u>	<u>Dec 31,</u> <u>2020</u>
Operating Fund:			
Cash	D-5	736,151	750,644
Interfund Receivables	D-8	28,050	31,415
Grants Receivable	D-9	55,129	55,129
Deferred Charges - Deficit in Operations	D-14	5,500	26,851
Total Operating Fund		<u>824,830</u>	<u>864,039</u>
Capital Fund:			
Cash	D-6,7	37,015	37,373
Due from the Federal Emergency Management Agency	D-15	247,943	247,943
Fixed Capital Authorized and Uncompleted	D-16	1,892,996	1,892,996
Total Capital Fund		<u>2,177,954</u>	<u>2,178,312</u>
		<u>\$ 3,002,784</u>	<u>3,042,351</u>

BOROUGH OF EDGEWATER
Comparative Balance Sheet - Regulatory Basis
Marina Utility Fund
December 31, 2021 and 2020

	<u>Ref.</u>	<u>Dec 31,</u> <u>2021</u>	<u>Dec 31,</u> <u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4/D-10	39,048	34,364
Reserve for Encumbrances	D-11	17,536	5,067
Prepaid Slip Rental Revenue	D-12	8,740	5,500
Accrued Interest on Bonds	D-13	16,337	13,807
Interfunds Payable	D-8	20,158	
Fund Balance	D-1	<u>723,011</u>	<u>805,301</u>
Total Operating Fund		<u>824,830</u>	<u>864,039</u>
Capital Fund:			
Interfund Payables	D-17		358
Improvement Authorizations:			
Funded	D-18	202,505	202,505
Unfunded	D-18	50,321	50,321
Reserve for Amortization	D-19	280,000	210,000
Deferred Reserve for Amortization	D-20	742,996	742,996
Serial Bonds Payable	D-21	870,000	940,000
Fund Balance	D-2	<u>32,132</u>	<u>32,132</u>
Total Capital Fund		<u>2,177,954</u>	<u>2,178,312</u>
		<u>\$ 3,002,784</u>	<u>3,042,351</u>

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2021 and December 31, 2020.

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

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

Marina Utility Operating Fund

For Years ended December 31,

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 186,352	25,000
Operating Revenues	364,603	361,417
Miscellaneous Revenue Not Anticipated	801	7,232
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>26,237</u>	<u>60,353</u>
Total income	<u>577,993</u>	<u>454,002</u>
Expenditures:		
Operations:		
Salaries and Wages	92,000	113,503
Other Expenses	253,050	248,050
Debt Service	107,530	115,000
Deferred Charges and Statutory Expenditures	21,351	
Merchant Fees		<u>4,300</u>
Total expenditures	<u>473,931</u>	<u>480,853</u>
Excess/(Deficit) in Operations	104,062	(26,851)
Adjustments to Income before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		<u>26,851</u>
	104,062	
Fund Balance, January 1	<u>805,301</u>	<u>830,301</u>
	909,363	830,301
Decreased by Utilization as Anticipated Revenue	<u>186,352</u>	<u>25,000</u>
Fund Balance, December 31,	<u>\$ 723,011</u>	<u>805,301</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Marina Utility Capital Fund

Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Balance - January 1,	\$ 32,132	32,132
	<hr/>	<hr/>
Balance - December 31,	\$ <u>32,132</u>	<u>32,132</u>

See accompanying notes to financial statements

BOROUGH OF EDGEWATER

Statement of Revenues - Regulatory Basis

Marina Utility Operating Fund

Year ended December 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	186,352	186,352	
Operating Revenues:			
Membership Fees/Slip Rentals	\$ 335,000	336,553	1,553
FY21 Port Security Grant	28,050	28,050	
Total Operating Revenues	<u>363,050</u>	<u>364,603</u>	<u>1,553</u>
Non-Budget Revenue		801	801
Total Revenues	<u>\$ 549,402</u>	<u>551,756</u>	<u>2,354</u>
Adopted Budget	\$ 521,352		
Added by N.J.S. 40 A:4-87	28,050		
Adopted Budget	<u>\$ 549,402</u>		
<u>Analysis of Operating Revenues</u>			
		Cash Receipts \$ 322,553	
		FY21 Port Security Grant Realized 28,050	
		Interfunds 8,500	
		Prepaid Applied 5,500	
		<u>\$ 364,603</u>	
<u>Non-Budget Revenue</u>			
		Interest on Investments 625	
		Due from Utility Capital Fund - Interest on Investments 176	
		<u>\$ 801</u>	

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER
Statement of Expenditures - Regulatory Basis
Marina Utility Operating Fund
Year ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 140,000	140,000	91,281	719	48,000
Other Expenses	250,000	250,000	214,721	10,279	25,000
2021 Port Security	28,050	28,050		28,050	
Debt Service:					
Payment of Bond Principal	70,000	70,000	70,000		
Interest on Bonds	40,000	40,000	37,530		2,470
Deficit in Operations in Prior Years	21,351	21,351	21,351		
	<u>\$ 549,401</u>	<u>549,401</u>	<u>434,883</u>	<u>39,048</u>	<u>75,470</u>

Adopted Budget	521,351
Added by N.J.S.A. 40A: 4-87	<u>28,050</u>
	<u>\$ 549,401</u>

Reserve for Encumbrances	17,536
Deficit in Operations	21,351
Accrued Interest	37,530
Cash Disbursed	<u>358,466</u>
	<u>\$ 434,883</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	E-1	\$ <u>6</u>	<u>6</u>
		\$ <u>6</u>	<u>6</u>
<u>Reserve</u>			
Reserve for Public Assistance	E-2	\$ <u>6</u>	<u>6</u>
		\$ <u>6</u>	<u>6</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Comparative Balance Sheet - Regulatory Basis

Sewer Facilities Grant Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Land	\$ 38,559,415	38,555,565
Buildings	11,455,033	11,411,173
Vehicles and Equipment	<u>13,191,416</u>	<u>12,632,935</u>
	<u>\$ 63,205,864</u>	<u>62,599,673</u>
Investment in Fixed Assets	<u>\$ 63,205,864</u>	<u>62,599,673</u>

See accompanying notes to financial statements.

BOROUGH OF EDGEWATER

Notes to Financial Statements Years Ended December 31, 2021 and 2020

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, 2021 and 2020
(continued)

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective December 31, 2017, the Borough transferred administration of the general assistance program to the Bergen County Board of Social Services.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

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

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

Basis of Accounting

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the year ended December 31, 2021, the Mayor and Council amended the budget by \$162,606 for additional grants received in addition to several budget transfers.

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

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

No depreciation has been provided for in the financial statements.

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

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

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

Use of Estimates

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted by the Borough during 2021.

C. Basic Financial Statements

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS

Description of Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

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

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BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Benefits Provided

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

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

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

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

Police and Firemens' Retirement System (PFRS)

Plan Description

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2021	\$610,627	\$1,322,197	\$-0-
2020	506,708	1,136,757	-0-
2019	484,885	1,123,969	-0-

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough had a liability of \$6,279,731 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0503009171 percent, which was an increase/(decrease) of .0002825914 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$610,627. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$99,039	\$44,955
Changes of assumptions	32,705	2,235,625
Net difference between projected and actual earnings on pension plan investments	-	1,654,246
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>598,952</u>	<u>49,618</u>
Total	<u>\$730,696</u>	<u>\$3,984,444</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$(1,481,743)
2023	(1,057,961)
2024	(721,349)
2025	(542,240)
2026	211

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	0.053009171%	.0532917622%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.60%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,575,940	\$6,279,731	\$4,331,073

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the Borough had a liability of \$8,426,873 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .1152920758 percent, which was an increase of .003060188 percent from its proportion measured as of June 30, 2020.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2021, the Borough recognized pension expense of \$1,322,197. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$96,140	\$1,009,452
Changes of assumptions	44,840	2,525,495
Net difference between projected and actual earnings on pension plan investments	-	3,590,965
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>682,858</u>	<u>741,114</u>
Total	<u>\$823,838</u>	<u>\$7,867,026</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$(2,236,143)
2023	(1,678,546)
2024	(1,440,310)
2025	(1,420,321)
2026	(179,155)
Thereafter	(30,456)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	0.1152920758%	0.1183522641%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

Mortality Rates

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$14,027,744	\$8,426,873	\$3,767,251

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

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

At December 31, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,055,697,552 and \$2,373,353, respectively. For the years ended December 31, 2021 and 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$263,955 and \$268,972, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$205,885 and \$182,628, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$38,480,000	\$	\$3,070,000	\$35,410,000	\$3,165,000
Bonds Payable - Marina Utility Debt	940,000		70,000	870,000	75,000
Other Liabilities:					
New Jersey Wastewater Loans	1,179,708		164,289	1,015,419	173,458
Green Acres Trust Loans	1,128,343		68,385	1,059,958	69,758
Capital Leases Payable	62,000		62,000	0	
Compensated Absences Payable	<u>1,415,241</u>	<u>260,128</u>	<u>66,336</u>	<u>1,609,033</u>	
	<u>\$43,205,292</u>	<u>\$260,128</u>	<u>\$3,501,010</u>	<u>\$39,964,410</u>	<u>\$3,483,216</u>
	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$41,515,000	\$	\$3,035,000	\$38,480,000	\$3,070,000
Bonds Payable - Marina Utility Debt	1,005,000		65,000	940,000	70,000
Other Liabilities:					
New Jersey Wastewater Loans	1,463,043		283,335	1,179,708	164,289
Green Acres Trust Loans	1,195,379		67,036	1,128,343	68,384
Capital Leases Payable	119,000		57,000	62,000	62,000
Compensated Absences Payable	<u>1,428,134</u>	<u>86,914</u>	<u>99,807</u>	<u>1,415,241</u>	
	<u>\$46,725,556</u>	<u>\$86,914</u>	<u>\$3,607,178</u>	<u>\$43,205,292</u>	<u>\$3,434,673</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
Issued:			
General Bonds and Notes	\$39,678,000	\$42,140,000	\$43,840,000
Marina Utility Bonds	870,000	940,000	1,005,000
Loans Payable	<u>2,075,377</u>	<u>2,308,051</u>	<u>2,658,422</u>
Net Debt Issued	<u>42,623,377</u>	<u>45,388,051</u>	<u>47,503,422</u>
Authorized But Not Issued:			
General Bonds and Notes	<u>6,197,331</u>	<u>682,362</u>	<u>25,450,507</u>
Total Authorized But Not Issued	<u>6,197,331</u>	<u>682,362</u>	<u>25,450,507</u>
Less: Funds Temporarily Held to Pay			
Bonds and Notes	<u>3,147,527</u>	<u>1,388,909</u>	<u>2,393,909</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$45,673,181</u>	<u>\$44,681,504</u>	<u>\$70,560,020</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(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 1.214% for 2021.

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

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.149% for 2020.

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

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

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

	<u>2021</u>	<u>2020</u>
3 ½% of equalized valuation basis (municipal)	\$131,710,458	\$136,106,412
Net Debt	<u>45,673,181</u>	<u>44,681,504</u>
Remaining borrowing power	<u>\$86,037,277</u>	<u>\$91,424,908</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$551,756	\$393,649
Deductions:		
Operating and Maintenance Cost	345,050	361,553
Debt Service Per Marina Utility	107,530	115,000
Total Deductions	<u>452,580</u>	<u>476,553</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$99,176</u>	<u>(\$82,904)</u>

The Borough's long-term debt consisted of the following at December 31, 2021.

Paid by Current Fund:

	<u>2021</u>	<u>2020</u>
\$7,395,000 Refunding Bonds - with an interest rate 2.00 to 4.00%, issued January 25, 2012, due through June 1, 2021	\$	\$935,000
\$11,085,000 General Serial Bonds - with an interest rate of 2.00 to 3.125% issued July 15, 2015, due through July 15, 2031	7,635,000	8,405,000
\$3,285,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued October 31, 2016, due through August 15, 2024	2,805,000	3,035,000
\$27,240,000 General Improvement Bonds - with interest rate of 1.00% to 4.00%, issued July 9, 2019, due through February 15, 2034	<u>24,970,000</u>	<u>26,105,000</u>
	<u>\$35,410,000</u>	<u>\$38,480,000</u>

Green Acres Loan - Paid by Current Fund

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

	<u>2021</u>	<u>2020</u>
The 2008 Veterans Field Improvements Project award is at a rate of 2.00% in the amount of \$400,000 with semi-annual loan payments of various amounts made on September 14 and March 14 through September 14, 2027	\$139,976	\$161,723
The 2018 Veterans Field Improvements Project (A) award is at a rate of 2.00% in the amount of \$315,500 with semi-annual loan payments of various amounts made on April 9 and October 9 through April 9, 2038	274,562	288,481
The 2018 Veterans Field Improvements Project (B) award is at a rate of 2.00% in the amount of \$741,655 with semi-annual loan payments of various amounts made on April 9 and October 9 through April 9, 2038	<u>645,420</u>	<u>678,139</u>
	<u>\$1,059,958</u>	<u>\$1,128,343</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Wastewater Treatment Loans - Paid by Current Fund

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

	<u>2021</u>	<u>2020</u>
\$125,000 Water Improvements - Trust Share - with an interest rate 4.00% to 5.50%, issued November 8, 2001, due through August 2, 2021	\$	\$4,763
\$615,000 Separation of Combined Sewers - Trust Share - with an interest rate 3.40% to 5.00%, issued November 8, 2008, due through August 1, 2027	225,000	256,000
\$1,736,481 Separation of Combined Sewers - Fund Share - at a zero rate of interest issued November 8, 2008, due through August 1, 2027	422,384	510,406
\$170,000 Sewer Repairs - Trust Share - with an interest rate 3.50% to 5.00%, issued March 10, 2010, due through August 1, 2029	81,000	90,000
\$521,250 Sewer Repairs - Fund Share - at a zero rate of interest issued March 10, 2010, due through August 1, 2029	212,035	238,539
\$245,000 Sanitary Sewer Repairs - Trust Share - with an interest rate 3.40% to 5.00%, issued December 1, 2010, due through August 1, 2030	<u>75,000</u>	<u>80,000</u>
	<u>\$1,015,419</u>	<u>\$1,179,708</u>
 Paid by Marina Utility Fund:		
	<u>2021</u>	<u>2020</u>
<u>Marina Utility Serial Bonds:</u>		
\$1,005,000 General Improvement Bonds - with an interest rate of 3.00% to 4.00% issued July 9, 2019, due through February 15, 2029	\$870,000	\$940,000
Total Marina Utility Bonds	<u>\$870,000</u>	<u>\$940,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

Year	<u>Serial Bonds</u>		<u>New Jersey Environmental Infrastructure Trust Loans</u>		<u>Green Acres Trust Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$3,165,000	\$1,126,713	\$173,459	\$18,065	\$69,758	\$20,710	\$4,573,705
2023	3,245,000	1,013,313	169,808	15,515	71,161	19,305	4,534,102
2024	3,370,000	870,113	166,704	12,965	72,591	17,872	4,510,245
2025	2,470,000	761,113	176,547	10,415	74,050	16,410	3,508,535
2026	2,545,000	668,562		7,655	75,538	14,918	3,311,673
2027-2031	13,900,000	1,882,636	328,901	8,940	298,041	54,703	16,473,221
2032-2036	6,715,000	157,025			302,153	25,632	7,199,810
2037-2038					96,666	1,748	98,414
	<u>\$35,410,000</u>	<u>\$6,479,475</u>	<u>\$1,015,419</u>	<u>\$73,555</u>	<u>\$1,059,958</u>	<u>\$171,298</u>	<u>\$44,209,705</u>

<u>Marina Utility Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$75,000	\$32,100	\$107,100
2023	80,000	29,000	109,000
2024	85,000	25,700	110,700
2025	90,000	22,200	112,200
2026-2030	<u>540,000</u>	<u>51,800</u>	<u>591,800</u>
	<u>\$870,000</u>	<u>\$160,800</u>	<u>\$1,030,800</u>

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

At December 31, 2021 and 2020, the Borough had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$6,197,331	\$682,362
Marina Utility Capital Fund	-0-	-0-

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2021 and 2020, the Borough had \$4,268,000 and \$3,660,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$-0- and \$-0-, respectively, in outstanding Marina Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2021 and 2020.

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Piper Sandler & Co.	\$3,660,000	\$	\$3,660,000	\$0
Oppenheimer & Co., Inc.		<u>4,268,000</u>		<u>4,268,000</u>
	<u>\$3,660,000</u>	<u>\$4,268,000</u>	<u>\$3,660,000</u>	<u>\$4,268,000</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Piper Sandler & Co.	\$	\$3,660,000	\$	\$3,660,000
Jefferies, LLC	<u>2,325,000</u>		<u>2,325,000</u>	<u>0</u>
	<u>\$2,325,000</u>	<u>\$3,660,000</u>	<u>\$2,325,000</u>	<u>\$3,660,000</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <u>Dec.31, 2021</u>	<u>2022 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year's budget</u>
<u>Current Fund</u>			
Special Emergency Authorizations - N.J.S.A. 40A:4-53:			
Reassessment	\$200,000	\$50,000	\$150,000
COVID-19 Revenue Losses	<u>1,144,575</u>	<u>228,915</u>	<u>915,660</u>
Total Current Fund	<u>\$1,344,575</u>	<u>\$278,915</u>	<u>\$1,065,660</u>
<u>Marina Utility Operating Fund</u>			
Deficit in Operations	\$5,500	\$5,500	\$ -0-
Total Marina Utility Operating Fund	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$ -0-</u>
	<u>Balance</u> <u>Dec.31, 2020</u>	<u>2021 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year's budget</u>
<u>Current Fund</u>			
Special Emergency Authorizations - N.J.S.A. 40A:4-53:			
Reassessment	\$250,000	\$50,000	\$200,000
COVID-19 Revenue Losses	1,144,575		1,144,575
Emergency Appropriation	<u>100,000</u>	<u>100,000</u>	<u> </u>
Total Current Fund	<u>\$1,494,575</u>	<u>\$150,000</u>	<u>\$1,344,575</u>
<u>General Capital Fund</u>			
Overexpenditure of Ordinance	\$2,827	\$2,827	\$ -0-
Total General Capital Fund	<u>\$2,827</u>	<u>\$2,827</u>	<u>\$ -0-</u>
<u>Marina Utility Operating Fund</u>			
Deficit Operations	\$26,851	\$21,351	\$5,500
Total Marina Utility Operating Fund	<u>\$26,851</u>	<u>\$21,351</u>	<u>\$5,500</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2021 which has been appropriated as revenue in the 2022 budget is as follows:

Current Fund	\$3,500,000
Marina Utility	165,500

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, 2021 and 2020, the Borough estimated the current cost of such unpaid compensation to approximate \$1,609,033 and \$1,415,241, 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, 2021 and 2020, \$-0- of the Borough's bank balance of \$21,662,886 and \$20,930,838, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

Credit Risk

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

Concentration of Credit Risk

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

Unaudited Investments

As more fully described in Note 15, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account for the years ended December 31, 2021 and 2020 amounted to \$1,446,153 and \$1,299,004, respectively.

The following investments represent 5% or more of the total invested with Valic for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fixed Account Plus	\$632,321	\$616,983
Money Market I Fund	180,557	175,172
Stock Index Fund	434,220	324,659
All Others	<u>199,055</u>	<u>182,190</u>
Total	<u>\$1,446,153</u>	<u>\$1,299,004</u>

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2021 and 2020.

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land and Improvements	\$38,555,565	\$3,850	\$	\$38,559,415
Buildings and Improvements	11,411,173	43,860		11,455,033
Machinery and Equipment	<u>12,632,935</u>	<u>594,556</u>	<u>36,075</u>	<u>13,191,416</u>
	<u>\$62,599,673</u>	<u>\$642,266</u>	<u>\$36,075</u>	<u>\$63,205,864</u>

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

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2021 consist of the following:

\$23,146	Due to the Current Fund from the Other Trust Fund for interest earnings.
52	Due to the Current Fund to the Other Trust Fund - POAA for deposits made.
33	Due from the Current Fund to the Other Trust Fund - Bullet Proof Vests for deposits made.
16	Due from the Current Fund to the Other Trust Fund - Municipal Alliance for deposits made.
250	Due to the Current Fund from the Other Trust Fund - Fire Prevention Dedicated Penalties for dedicated payments not turned over.
61	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
640	Due to the Current Fund from the Other Trust Fund - Flexible Spending for deposits made.
3,750	Due to the Current Fund from the Other Trust Fund - Bergen County CDA for deposits and not transferred.
20,158	Due to the Current Fund from the Marina Utility Operating Fund for deposit errors.
1,037,262	Due to the Federal and State Grant Fund from Current Fund to reimburse for grant expenditures incurred less grants received.
480,547	Due to the General Capital Fund from the Current Fund for grants received and interest earnings.
28,050	Due to the Marina Utility Operating Fund from the General Capital Fund for grant receipts received and not transferred.
<u>32,214</u>	Due to the General Capital Fund from the Bergen County CDA Trust Fund for funds received and not transferred.
<u>\$1,626,179</u>	

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 11. CAPITAL LEASES PAYABLE

On May 1, 2012 the Borough entered into a \$385,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. The final payment was made in 2021.

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

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During 2019, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 13. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Prepaid Taxes	<u>\$554,132</u>	<u>\$585,184</u>
Cash Liability for Taxes Collected in Advance	<u>\$554,132</u>	<u>\$585,184</u>

NOTE 14. LITIGATION

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

1. Borough of Edgewater vs. Waterside Construction et al

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 14. LITIGATION, (continued)

Various tax appeal cases were also pending at December 31, 2021. The Borough is defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. Funding of any ultimate liability would be provided for in succeeding years' budgets or through a refunding bond ordinance, which would allow the Borough to fund these liabilities over a number of years. The Borough's legal counsel estimate such amounts to be immaterial.

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

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

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

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

NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

General Information about the OPEB Plan

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

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 75. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Total OPEB Liability

At December 31, 2020, the Borough had a liability of \$54,886,069 for its OPEB liability. The OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date. The liability is broken out as follows:

Actives	\$32,499,148
Retirees	<u>22,386,921</u>
Total	<u>\$54,886,069</u>

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

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$1,519,313. At December 31, 2021, the Borough reported deferred outflows of resources of \$5,488,713 and did not report any deferred inflows of resources related to OPEB.

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined based upon census, plan design and cost information provided by the Fund. Census includes 66 retirees and spouses currently receiving retiree benefits, and 101 active participants of whom 22 eligible to retire as of the valuation date. The average age of the active population is 49 and the average age of the retiree population is 76.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2020 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2020 GASB 75 report from Aon Consultants.

Actuarial Assumptions

- | | |
|----------------------------|--|
| 1. Mortality | RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement |
| 2. Turnover | NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility |
| 3. Assumed Retirement Age | At first eligibility after completing 25 years of pension service |
| 4. Full Attribution Period | Service to Assumed Retirement Age |
| 5. Annual Discount Rate | 2.74% Based on the Bond Buyer 20 Index December 31, 2019
2.12% Based on the Bond Buyer 20 Index December 31, 2020 |

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Changes in Net OPEB Liability FYE 2021

The Net OPEB Liability as of December 31, 2021 is \$59,698,603 based upon a discount rate of 2.12% per annum and the plan provisions in effect on December 31, 2021. There are no plan assets to offset the liability.

Total GASB #75 Expense for FYE 2021

A) GASB #75 Regular Expense

Service Cost	\$948,685
Interest Cost	1,390,967
Recognition of Assumption Changes	<u>788,169</u>
 GASB #75 Annual OPEB Expense Recognized	 <u>\$3,127,821</u>

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

Sensitivity of Net OPEB Liability to Changes in Medical Inflation Rate

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

	1% Decrease	At Current	1% Increase
	<u>1.12%</u>	<u>Rate 2.12%</u>	<u>3.12%</u>
Borough's Total OPEB Liability	\$50,373,774	\$54,886,069	\$59,754,135

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

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

The following other post employment benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

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

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

BOROUGH OF EDGEWATER
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$5,745,919 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$76,164.

NOTE 17. OTHER MATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Edgewater. The Borough has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes and marina fees, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Edgewater is \$1,398,790 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$699,395 was received in July 2021 and the second installment of \$699,395 was received in July 2022.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through October 13, 2022, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF EDGEWATER

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	2.253	1.945	1.896
Apportionment of tax rate:			
Local school	1.095	0.789	0.754
County	0.331	0.340	0.337
Municipal	0.787	0.771	0.758
Library	0.040	0.045	0.047

Assessed valuation:

2021	\$ 2,985,547,360
2020	2,964,012,792
2019	2,967,912,317

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2021	\$ 67,377,061	65,749,131	97.58%
2020	58,116,660	55,724,389	95.88%
2019	56,348,278	54,553,370	96.81%

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2021	\$ 70,777	1,622,793	1,693,570	2.51%
2020	90,592	2,016,702	2,107,294	3.63%
2019	84,212	1,722,694	1,806,906	3.21%

BOROUGH OF EDGEWATER

Supplementary Data

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2021 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, 2021, 2020 and 2019 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2021	\$	3,844,775
2020		3,844,775
2019		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, 2021	7,077,574	3,500,000
	Dec. 31, 2020	6,510,527	3,300,000
	Dec. 31, 2019	7,027,479	3,800,000
	Dec. 31, 2018	7,037,918	3,300,000
	Dec. 31, 2017	5,500,111	2,285,000
Marina Utility:	Dec. 31, 2021	723,011	165,500
	Dec. 31, 2020	805,301	186,352
	Dec. 31, 2019	830,301	25,000
	Dec. 31, 2018	688,797	
	Dec. 31, 2017	602,949	

BOROUGH OF EDGEWATER

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	Grant Period From To	Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
Federal and State Grant Funds:								
<u>Department of Housing and Urban Development (Passed through County of Bergen):</u>								
Community Development Block Grant: Handicapped Accessible Doors at Borough Hall	14.218	B-17-UC-34-0100		N/A N/A	17,000			8,539 8,539
Hurricane Sandy CDBG-DR	14.269	B-13-DS-34-0001	22-8022-100-004	1/1/2017 12/31/2017	51,106			94,925
Hurricane Sandy CDBG-DR	14.269	B-15-DS-34-0001	22-8022-100-004	1/1/2016 12/31/2016	100,000			94,925
<u>U.S. Department of Transportation (Passed Through NJ DOT):</u>								
Impaired Driving Countermeasure	20.601	18X9204100NJ		1/1/2019 12/31/2019	4,400			
<u>National Priority Safety Program (Distacted Driving):</u>								
National Priority Safety Program (DDEIF)	20.616	18X920405ENJ17		1/1/2019 12/31/2019	5,500			
	20.616	69A3751930000405DNJL	066-1160-100-157	1/1/2017 12/31/2017	5,500			
<u>U.S. Department of Homeland Security:</u>								
Port Security Grant Program	97.056	EMW2016PT000088		1/1/2016 12/31/2016	61,002			50,196
Port Security Grant Program	97.056	EMW2013FC000447		1/1/2015 12/31/2015	104,813			97,764 147,960
<u>Federal Emergency Management Assistance (FEMA):</u>								
Equitable Sharing - Asset Forfeiture Program	16.922			1/1/2020 12/31/2020	27,115			27,115 27,115
<u>Flow through the County of Bergen:</u>								
CARES Act	21.019	S425D200027		1/1/2020 12/31/2020	5,160			3,221 3,221
<u>Department of Treasury:</u>								
American Rescue Plan	21.027	022-2021-8030-100-687	n/a	1/1/2021 12/30/2023	83,794			83,794 83,794
Subtotal Federal and State Grant Fund					699,395			365,574

BOROUGH OF EDGEWATER

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	CFDA number	FAIN number	Grant or State Project Number	Grant Period		Grant Award	Grant Receipts	Grant Expenditures	Cumulative Grant Expenditures
				From	To				
General Capital Funds:									
Department of Housing and Urban Development (passed through County of Bergen):									
Community Development Block Grant	14.218	B-17-UC-54-0100	21-213-745-155-43-66	N/A	N/A	76,180		44,175	67,177
Handicapped Accessible Curb Ramps - Ord. 1517	14.218	B-21-UC-54-0700	21-213-75-115-543-66	N/A	N/A	80,000		44,175	44,175
Orchard Street Imps. - Ord. 2021-03								44,175	111,352
U.S. Department of Homeland Security									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
4021 Public Assistance - Hurricane Irene	97.036	4021DRNTP0000001		N/A	N/A	217,808			217,808
PA-02-NI-4021-FW-01332 - Ord. 1484									217,808
Subtotal General Capital Fund									
Marina Utility Capital Funds:									
U.S. Department of Homeland Security (1)									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
PA-02-NI-1897-FW-01289 - Ord. 1467	97.036	4021DRNTP0000001		N/A	N/A	742,996			542,587
Subtotal Marina Utility Capital Fund									
Total Federal Awards - All Funds							699,995	44,175	1,237,521

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

BOROUGH OF EDGEWATER

**Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2021**

State Funding Department	State Grant Account #	From	To	Grant Period	Grant Award	Grant Receivables	Grant Expenditures	Adjustments	Cumulative Grant Expenditures
Federal and State Grant Fund - Department of Environmental Protection - Clean Communities Program	4900-765-042-4900-004-V42Y	1/1/2021	12/31/2021	12/31/2021	21,842	21,842	8,389		8,389
	4900-765-042-4900-004-V42Y	1/1/2020	12/31/2020	12/31/2020	20,507		18,865		18,865
	4900-765-042-4900-004-V42Y	1/1/2019	12/31/2019	12/31/2019	22,740				16,367
	4900-765-042-4900-004-V42Y	1/1/2018	12/31/2018	12/31/2018	20,381				1,125
	4900-765-042-4900-004-V42Y	1/1/2017	12/31/2017	12/31/2017	21,286	21,842	27,254		44,746
Solid Waste Administration Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	1/1/2021	12/31/2021	12/31/2021	30,281	30,281	30,000		30,000
	4900-752-042-4900-001-V42Y	1/1/2019	12/31/2019	12/31/2019	19,882		6,769		6,769
	4900-752-042-4900-001-V42Y	1/1/2018	12/31/2018	12/31/2018	17,808				
	4900-752-042-4900-001-V42Y	1/1/2017	12/31/2017	12/31/2017	33,051				
	4900-752-042-4900-001-V42Y	1/1/2014	12/31/2014	12/31/2014	13,105				
	4900-752-042-4900-001-V42Y	1/1/2011	12/31/2011	12/31/2011	14,345				250
	4900-752-042-4900-001-V42Y	1/1/2010	12/31/2010	12/31/2010	12,464				
	4900-752-042-4900-001-V42Y	1/1/2009	12/31/2009	12/31/2009	57,800				
	4900-752-042-4900-001-V42Y	1/1/2008	12/31/2008	12/31/2008	7,876	30,281	36,769		37,019
Administrative Office of the Courts Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001-X100	1/1/2021	12/31/2021	12/31/2021	682	682			
	9735-760-098-Y900-001-X100	1/1/2020	12/31/2020	12/31/2020	2,120				
	9735-760-098-Y900-001-X100	1/1/2019	12/31/2019	12/31/2019	1,286				
	9735-760-098-Y900-001-X100	1/1/2018	12/31/2018	12/31/2018	2,272				
	9735-760-098-Y900-001-X100	1/1/2017	12/31/2017	12/31/2017	1,673				451
	9735-760-098-Y900-001-X100	1/1/2016	12/31/2016	12/31/2016	1,148				
	9735-760-098-Y900-001-X100	1/1/2015	12/31/2015	12/31/2015	2,180				
	9735-760-098-Y900-001-X100	1/1/2014	12/31/2014	12/31/2014	1,950	682			904
									1,555
Department of Law & Public Safety Body Armor Grant	1020-718-066-1020-001-YCIS	1/1/2021	12/31/2021	12/31/2021	8,302	8,302			
	1020-718-066-1020-001-YCIS	1/1/2019	12/31/2019	12/31/2019	3,018				
	1020-718-066-1020-001-YCIS	1/1/2016	12/31/2016	12/31/2016	2,906				
	1020-718-066-1020-001-YCIS	1/1/2015	12/31/2015	12/31/2015	3,026				
	1020-718-066-1020-001-YCIS	1/1/2013	12/31/2013	12/31/2013	3,687				
	1020-718-066-1020-001-YCIS	1/1/2008	12/31/2008	12/31/2008	3,108	8,302			
Body-Worn Camera Grant Program	BFY21-100-066-1020-495	1/1/2021	12/31/2025	12/31/2025	105,976		150		
Department of State (passed through County of Bergen) Census Grant	DO52020C3-NP	1/1/2020	12/31/2020	12/31/2020	2,810				2,810
									2,810

BOROUGH OF EDGEWATER

Schedule of Cash - Collector/Treasurer

Current Fund

Year ended December 31, 2021

		Current Fund
Balance - December 31, 2020		\$ 11,191,133
Increased by Receipts:		
Revenue Accounts Receivable	\$ 3,851,814	
Miscellaneous Revenues Not Anticipated	658,512	
Taxes Receivable	67,167,649	
Liens Redeemed	24,952	
Prepaid Taxes	554,131	
Tax Overpayments	48,200	
Senior Citizens and Veterans	13,005	
Tax Title Lien Premiums	223,300	
Interfunds	1,705,315	
Marriage License Fees Payable	<u>1,875</u>	
		<u>74,248,753</u>
		85,439,886
Decreased by Disbursements:		
2021 Budget Appropriations	27,898,131	
2020 Appropriation Reserves	969,708	
Tax Overpayment Refunds	264,503	
Local District School Tax	32,710,834	
County Taxes	9,840,493	
County Added/Omitted	81,700	
Marriage License Fees Payable	2,000	
Tax Title Lien Premiums Redeemed	243,200	
Payment of Special Emergency Notes	250,000	
Refunds	23,416	
Interfunds	<u>426,998</u>	
		<u>73,143,835</u>
Balance - December 31, 2021		\$ <u><u>12,296,051</u></u>

BOROUGH OF EDGEWATER
Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year	Current Fund							
	Balance, Dec. 31, 2020	2021 Levy	Added 2021 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Balance, Dec. 31, 2021
				2020	2021			
2019	34,478				34,478			
2020	1,982,224			1,982,224				
	<u>2,016,702</u>			<u>2,016,702</u>				
2021		67,264,384	112,677	585,184	65,150,947	13,000	5,137	1,622,793
	<u>\$ 2,016,702</u>	<u>67,264,384</u>	<u>112,677</u>	<u>585,184</u>	<u>67,167,649</u>	<u>13,000</u>	<u>5,137</u>	<u>1,622,793</u>

Analysis of 2021 Tax Levy

Tax Yield:	
General Property Tax	67,264,384
Added Tax (R.S.54:4-63.1 et seq.)	<u>112,677</u>
	<u>\$ 67,377,061</u>

Tax Levy:	
Local District School Tax	\$ 32,705,368
County Tax	\$ 9,840,493
County Added and Omitted Taxes	<u>13,939</u>
	<u>9,854,432</u>
	42,559,800

Local Tax for Municipal Purpose	24,709,738
Additional Taxes	<u>107,523</u>
	<u>24,817,261</u>
	<u>\$ 67,377,061</u>

BOROUGH OF EDGEWATER

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	90,592
Increased by:		
Transferred from 2021 Taxes		<u>5,137</u>
		95,729
Decreased by:		
Liens Redeemed		<u>24,952</u>
Balance - December 31, 2021	\$	<u><u>70,777</u></u>

BOROUGH OF EDGEWATER

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Accrued in <u>2021</u>	<u>Collected</u>	Balance, Dec. 31, <u>2021</u>
Clerk:				
Licenses:				
Alcoholic Beverages		68,372	68,372	
Other	\$			
Fees and Permits		304,569	304,569	
Construction Code Official-Fees and Permits	166,228	515,082	469,112	212,198
Municipal Court Fines and Costs	6,135	109,006	104,591	10,550
Interest and Cost on Taxes		450,347	450,347	
Interest on Investments		9,406	9,406	
Consolidated Municipal Property Tax Relief		53,313	53,313	
Energy Receipts Tax		697,418	697,418	
Uniform Fire Safety		43,470	43,470	
Commercial Sewer Fees	48,939	345,332	387,950	6,321
General Capital Fund Balance		500,000	500,000	
Hotel Tax		359,732	359,732	
Pilot Payments - Waterford Towers		412,092	412,092	
	<u>\$ 221,302</u>	<u>3,868,139</u>	<u>3,860,372</u>	<u>229,069</u>
		Interfunds	8,558	
		Cash	<u>3,851,814</u>	
			<u>\$ 3,860,372</u>	

Exhibit A-8

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	36,218
Increased by:		
Senior Citizens' and Veterans' Deductions per Tax Billings		<u>13,000</u>
		49,218
Decreased by:		
Cash Received		<u>13,005</u>
Balance - December 31, 2021	\$	<u><u>36,213</u></u>

Exhibit A-9

Schedule of Local District School Tax Payable / (Receivable)

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	70,866
Increased by:		
2021 Tax Levy		<u>32,705,368</u>
		32,776,234
Decreased by:		
Cash Disbursements		<u>32,710,834</u>
Balance - December 31, 2021	\$	<u><u>65,400</u></u>

Exhibit A-10

BOROUGH OF EDGEWATER
Schedule of County Taxes Payable
Current Fund
Year ended December 31, 2021

Increased by:		
County Tax Levy	\$	<u>9,840,493</u>
Decreased by:		
Cash Disbursements	\$	<u><u>9,840,493</u></u>

Exhibit A-11

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	81,700
Increased by:		
Added and Omitted Taxes		<u>13,939</u>
		95,639
Decreased by:		
Cash Disbursements		<u>81,700</u>
Balance - December 31, 2021	\$	<u><u>13,939</u></u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2021

	Balance, Dec. 31, 2020	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 5,116	5,116		5,116
Elections	2,481	2,481		2,481
Assessment of Taxes	386	386		386
Municipal Court	16,370	16,370		16,370
Planning Board	581	581		581
Zoning Board	1	1		1
Rent Leveling	616	616		616
Housing Inspector	10,000	10,000		10,000
Fire	26,207	26,207		26,207
Volunteer First Aid	1	1		1
Police	123,311	123,311		123,311
Emergency Management Services	1,000	1,000		1,000
Road Repairs and Maintenance	54,836	54,836		54,836
Recreation	134,491	134,491		134,491
Recycling Program	1,573	1,573		1,573
Uniform Construction Code	3,141	3,141		3,141
Salary and Wage Adjustment	856	856		856
Total Salaries and Wages Within "CAPS"	380,967	380,967		380,967
Other Expenses Within "CAPS":				
Administrative and Executive	66,778	77,289	16,777	60,512
Elections	6,320	6,320	296	6,024
Financial Administration - Audit	18,017	19,818	3,375	16,443
Financial Administration - Other Expenses	3,950	3,950		3,950
Collection of Taxes	9,106	9,106		9,106
Assessment of Taxes:				
Consultant and Legal Fees - Tax Appeals	33,892	33,893	6,813	27,080
Miscellaneous Other Expenses	11,009	20,364	9,450	10,914
Municipal Court	20,545	20,574	30	20,544
Legal Services	252,978	253,039	43,505	209,534
Insurance - Hospitalization	43,558	46,776	3,630	43,146
Insurance - Other	184	184		184
Public Buildings and Grounds	7,180	58,410	20,255	38,155
Engineering	15,450	42,184	33,265	8,919
Planning Board	655	7,105	6,368	737
Zoning Board	7,249	14,181	6,932	7,249
Rent Leveling	8,032	8,032		8,032

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Housing Inspector	3,500	3,500		3,500
Police	12,739	44,564	27,471	17,093
Police- Automobiles	23,075	45,299	22,224	23,075
Emergency Management	2,629	2,637		2,637
Fire	2,184	112,133	110,131	2,002
Fire Hydrant Service	44,494	44,494		44,494
Volunteer First Aid	39,114	44,233	7,618	36,615
Fire Prevention	4,505	20,006	15,734	4,272
Road Repairs and Maintenance	69,586	206,420	129,952	76,468
Snow Removal	34,905	68,309	68,308	1
Board of Health	55,519	58,058	12,164	45,894
Dog regulation	4,825	4,825		4,825
Occupational Safety Health Act	2,000	2,000		2,000
Public Assistance- Emergency Assistance	1,500	1,500		1,500
Parks and Playgrounds	27,562	35,853	11,465	24,388
Recreation	168,737	170,646	480	170,166
Celebration of Public Events	24,394	24,394		24,394
Senior Citizens Committee	27,317	27,982	665	27,317
Garbage and Trash Removal	103,217	149,616	87,410	62,206
Uniform Construction Code	40,923	29,460	17,338	12,122
Gas and Electric	140,253	140,517	25,671	114,846
Street Lighting	12,621	16,221	16,127	94
Telephone	11,433	12,708	5,197	7,511
Water	18,768	18,768	379	18,389
Fuel	68,266	72,322	10,678	61,644
Reassessment of Real Property		250,000	250,000	
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>1,453,969</u>	<u>2,232,690</u>	<u>969,708</u>	<u>1,262,982</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	1,198	1,198		1,198
Unemployment Insurance	2,990	2,990		2,990
Public Employee's Retirement System	1,473	1,473		1,473
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>5,661</u>	<u>5,661</u>		<u>5,661</u>
Total Reserves Within "CAPS"	<u>1,840,597</u>	<u>2,619,318</u>	<u>969,708</u>	<u>1,649,610</u>

BOROUGH OF EDGEWATER

Schedule of Appropriation Reserves

Current Fund

For the Year Ending December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
LOSAP	10,400	10,400		10,400
Maintenance of Free Public Library	129,436	129,436	129,436	
Total Other Expenses Excluded from "CAPS"	<u>139,836</u>	<u>139,836</u>	<u>129,436</u>	<u>10,400</u>
Total Reserves Excluded from "CAPS"	<u>139,836</u>	<u>139,836</u>	<u>129,436</u>	<u>10,400</u>
Total Reserves	<u>\$ 1,980,433</u>	<u>2,759,154</u>	<u>1,099,144</u>	<u>1,660,010</u>
Appropriation Reserves		1,980,433		
Encumbrances		<u>778,721</u>		
		<u>\$ 2,759,154</u>		
			Cash Disbursements	969,708
			Transferred to Amount due to Library	<u>129,436</u>
			<u>\$</u>	<u>1,099,144</u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances
Current Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	778,721
Increased by:		
Encumbrances		340,767
		1,119,488
Decreased by:		
Transferred to Appropriation Reserves		778,721
Balance - December 31, 2021	\$	340,767

Schedule of Tax Overpayments
Current Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	245,488
Increased by:		
Cash Receipts	\$	48,200
Transfer from Reserve for Tax Appeals		213,725
		261,925
		507,413
Decreased by:		
Transfer to Reserve for Tax Appeals	\$	206,480
Overpayments Refunded		264,503
		470,983
Balance - December 31, 2021	\$	36,430

Exhibit A-15

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	585,184
Increased by:		
Prepaid Taxes Collected		<u>554,131</u>
		1,139,315
Decreased by:		
Taxes Realized as Revenue		<u>585,184</u>
Balance - December 31, 2021	\$	<u><u>554,131</u></u>

Exhibit A-16

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

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	475
Increased by:		
Cash Receipts		<u>1,875</u>
		2,350
Decreased by:		
Cash Disbursements		<u>2,000</u>
Balance - December 31, 2021	\$	<u><u>350</u></u>
4th Quarter 2021	\$	<u><u>350</u></u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>3,844,775</u>
Balance - December 31, 2021	\$ <u><u>3,844,775</u></u>

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

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 257,900
Increased by:	
Premiums Collected	<u>223,300</u>
	481,200
Decreased by:	
Refunded	<u>243,200</u>
Balance - December 31, 2021	\$ <u><u>238,000</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Escrow Trust Fund	\$ 43	18		61
Other Trust Fund	21,718	1,428		23,146
Other Trust Fund - Fire Prevention Dedicated Penalties	(1,400)	2,463	1,313	(250)
Other Trust Fund - POAA	(52)			(52)
Other Trust Fund - Municipal Alliance	(16)			(16)
Other Trust Fund - Bullet Proof Vests	(33)			(33)
Other Trust Fund - Flexible Spending	(640)			(640)
Other Trust Fund - Bergen County CDA	3,750			3,750
Marina Utility Operating Fund		28,658	8,500	20,158
Federal and State Grant Fund	(340,039)	64,173	761,396	(1,037,262)
General Capital Fund	(338,818)	900,696	1,042,425	(480,547)
	<u>\$ (655,487)</u>	<u>997,436</u>	<u>1,813,634</u>	<u>(1,471,685)</u>
 <u>Analysis</u>				
Due to Current Fund	\$ 25,511	30,104	8,500	47,115
Due From Current Fund	(680,998)	967,332	1,805,134	(1,518,800)
	<u>\$ (655,487)</u>	<u>997,436</u>	<u>1,813,634</u>	<u>(1,471,685)</u>
Interest on Investments		\$ 8,558		
Grant Match			895	
Cash Receipts			1,705,315	
General Capital Fund-DOT Myrtle Ave			107,424	
Reimbursement for Expenses Paid		61,880		
Anticipated Revenue		500,000		
Cash Disbursements		426,998		
		<u>\$ 997,436</u>	<u>1,813,634</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2021

	Balance Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2021</u>
Reserve for:				
Binghamton Ferryboat Removal	\$ 100,000			100,000
Playgrounds	2,481			2,481
Due to Library	770,476	129,436	432,852	467,060
Tax Appeals	213,725	406,480	213,725	406,480
Library Aid	12,383			12,383
Community Center	18,730			18,730
Developer's Contribution	1,825			1,825
Revaluation	80,000			80,000
BCUA Grant	17,608			17,608
Ferry Agreement	20,000			20,000
Donations	17,425			17,425
Sale of Municipal Assets	1,091			1,091
Arts Festival	1,513			1,513
Centennial	890			890
	<u>\$ 1,258,147</u>	<u>535,916</u>	<u>646,577</u>	<u>1,147,486</u>

Transfer from Current Appropriation	\$ 200,000		
Transfer from Appropriation Reserves	129,436		
Transfer from/to Tax Overpayments	206,480	213,725	
Operations		<u>432,852</u>	
	<u>\$ 535,916</u>	<u>646,577</u>	

BOROUGH OF EDGEWATER

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>21,937</u>
Balance - December 31, 2021	\$ <u><u>21,937</u></u>

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2021

<u>Date</u>	<u>Purpose</u>	Balance Dec. 31, <u>2020</u>	Reduced in <u>2021</u>
9/14/2020	Sewer - Other Expenses	\$ 100,000	\$ 100,000
		\$ 100,000	\$ 100,000

BOROUGH OF EDGEWATER

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

Current Fund

Year ended December 31, 2021

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Reduced in 2021 Budget</u>	<u>Balance, Dec. 31, 2021</u>
July 20, 2020	Ord. 2020-04: Reassessment of Real Property	7/20/20	50,000	250,000	50,000	200,000
November 16, 2020	COVID-19 Revenue Losses	11/16/20	228,915	1,144,575		1,144,575
				<u>\$ 1,394,575.00</u>	<u>50,000</u>	<u>\$ 1,344,575</u>

BOROUGH OF EDGEWATER

Schedule of Special Emergency Notes

Current Fund

Year ended December 31, 2021

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

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2021

<u>Purpose</u>	Balance, Dec. 31, 2020	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2021
Municipal Alliance - 2013	\$ 9,692			9,692
Municipal Alliance - 2019	9,498			9,498
Municipal Alliance - 2020	9,876			9,876
Municipal Alliance - 2021		3,579	3,579	
Municipal Alliance - 2022		4,507		4,507
Port Security - 2016	35,650			35,650
CDBG	17,000			17,000
Alcohol Education and Rehabilitation		834	834	
Impaired Driving		4,400	4,400	
Distracted Driving Incentive		5,500	5,500	
Body Armor Grant - 2021		3,018	3,018	
Body-Worn Cameras		105,976		105,976
Clean Communities - 2021		21,842	21,842	
Recycling Tonnage - 2018		30,281	30,281	
	<u>\$ 81,716</u>	<u>179,937</u>	<u>69,454</u>	<u>192,199</u>
		Budget 17,331		
		Appropriations by 40a:4-87 <u>162,606</u>		
		<u>\$ 179,937</u>		
		Interfunds 52,123		
		Unappropriated Grant Reserves <u>17,331</u>		
			<u>\$ 69,454</u>	

BOROUGH OF EDGEWATER

Schedule of Due from/(to) Current Fund

Federal and State Grant Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$	340,039
Increased by:			
Grants Receivable	\$	52,123	
Match		895	
Unappropriated Grants		<u>708,378</u>	
			<u>761,396</u>
			1,101,435
Decreased by:			
Appropriated Grant Reserves			<u>64,173</u>
Balance - December 31, 2021		\$	<u><u>1,037,262</u></u>

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2021

<u>Purpose</u>	Balance, Dec. 31, <u>2020</u>	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, <u>2021</u>
Clean Communities - 2009	\$ 14,626			14,626
Clean Communities - 2013	2,975			2,975
Clean Communities - 2016	6,927			6,927
Clean Communities - 2017	6,565			6,565
Clean Communities - 2018	11,097			11,097
Clean Communities - 2019	6,373			6,373
Clean Communities - 2020	20,507		18,865	1,642
Clean Communities - 2021		21,842	8,389	13,453
Municipal Alliance - 2013	714			714
Municipal Alliance - 2014	8,414			8,414
Municipal Alliance - 2019	5,279			5,279
Municipal Alliance - 2020	9,876			9,876
Municipal Alliance - 2020 Match	2,469			2,469
Municipal Alliance - 2021		3,579		3,579
Municipal Alliance - 2021 Match		895		895
Municipal Alliance - 2022		4,507		4,507
Alcohol Education and Rehabilitation - 2014	1,046			1,046
Alcohol Education and Rehabilitation - 2015	2,180			2,180
Alcohol Education and Rehabilitation - 2016	1,148			1,148
Alcohol Education and Rehabilitation - 2017	1,222			1,222
Alcohol Education and Rehabilitation - 2018	2,272			2,272
Alcohol Education and Rehabilitation - 2019	1,286			1,286
Alcohol Education and Rehabilitation - 2020		834		834
Body Armor Grant - 2012	6,052			6,052
Body Armor Grant - 2013	3,697			3,697
Body Armor Grant - 2015	3,026			3,026
Body Armor Grant - 2016	2,906			2,906
Body Armor Grant - 2019		3,018		3,018
Body-Worn Cameras		105,976	47,698	58,278

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2021

<u>Purpose</u>	Balance, Dec. 31, <u>2020</u>	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, <u>2021</u>
Recycling Tonnage Grant - 2008	6,340			6,340
Recycling Tonnage Grant - 2009	7,876			7,876
Recycling Tonnage Grant - 2010	37,800			37,800
Recycling Tonnage Grant - 2011	12,464			12,464
Recycling Tonnage Grant - 2013	14,095			14,095
Recycling Tonnage Grant - 2014	13,105			13,105
Recycling Tonnage Grant - 2016	15,042			15,042
Recycling Tonnage Grant - 2017	18,009			18,009
Recycling Tonnage Grant - 2018	17,508			17,508
Recycling Tonnage Grant - 2019	19,882		6,769	13,113
Recycling Tonnage Grant - 2020		30,281	30,000	281
U.S. Department of Justice -				
Equitable Sharing - Asset Forfeiture Proceeds	1,939			1,939
Port Security - 2015	7,049			7,049
Port Security - 2016	10,807			10,807
Post Sandy Planning	5,075			5,075
CDBG	8,441			8,441
Firehouse Grant	22,279			22,279
Impaired Driving Countermeasure	5,500			5,500
Impaired Driving Countermeasure - 2021		4,400		4,400
Distracted Driving Incentive		5,500		5,500
	<u>\$ 343,868</u>	<u>180,832</u>	<u>111,721</u>	<u>412,979</u>
		Budget	17,331	
		Match	895	
		Appropriations by 40a:4-87	<u>162,606</u>	
		<u>\$ 180,832</u>		
		Interfunds \$	64,173	
		Encumbrances	<u>47,548</u>	
			<u>111,721</u>	

BOROUGH OF EDGEWATER

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2021

<u>Purpose</u>	Balance, Dec. 31, 2020	<u>Received</u>	Appropriated in 2021 Budget	Balance, Dec. 31, 2021
Municipal Alliance - 2012	\$ 5,647		3,579	2,068
Municipal Alliance - 2015	3,331			3,331
Municipal Alliance - 2016	3,500			3,500
Municipal Alliance - 2017	551			551
Alcohol Education and Rehabilitation Fund - 2020	834		834	
Alcohol Education and Rehabilitation Fund - 2021		682		682
Body Armor Grant - 2019	3,018		3,018	
Body Armor Grant - 2020		8,301		8,301
Impaired Driving Countermeasure - 2019	4,400		4,400	
Distracted Driving Incentive - 2019	5,500		5,500	
Post Sandy Planning Grant	51,106			51,106
American Rescue Plan		699,395		699,395
	<u>\$ 77,887</u>	<u>708,378</u>	<u>17,331</u>	<u>768,934</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2021

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2020	\$ <u>101</u>	<u>202,925</u>	<u>794,911</u>	<u>1,299,004</u>
Increased by:				
Animal License Fees	3,678			
Due to State of New Jersey - Dog License Fees	574			
Various Reserves			102,604	
Escrow Deposits		227,955		
Interfunds		18	1,428	
Borough Contributions				78,200
Investment Income				131,940
	<u>4,252</u>	<u>227,973</u>	<u>104,032</u>	<u>210,140</u>
	<u>4,353</u>	<u>430,898</u>	<u>898,943</u>	<u>1,509,144</u>
Decreased by:				
Animal License Expenditures	3,700			
Due to State of New Jersey	563			
Escrow Expenditures		278,742		
Various Reserves			51,020	
Distributions				62,991
	<u>4,263</u>	<u>278,742</u>	<u>51,020</u>	<u>62,991</u>
Balance -December 31, 2021	\$ <u><u>90</u></u>	<u><u>152,156</u></u>	<u><u>847,923</u></u>	<u><u>1,446,153</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Expenditures -
Animal License Fund

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	96
Increased by:		
Dog license fees	\$	3,042
Cat license fees		606
Postage/Late fees		30
		3,678
		3,774
Decreased by:		
Cash Disbursements		3,700
Balance - December 31, 2021	\$	74

<u>License Fees Collected</u>		
	2019	4,279
	2020	3,922
	\$	8,201

BOROUGH OF EDGEWATER

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

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	5
Increased by:		
2021 Fees Collected		<u>574</u>
		579
Decreased by:		
Payments to State of New Jersey		<u>563</u>
Balance - December 31, 2021	\$	<u><u>16</u></u>

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	202,882
Increased by:		
Escrow Deposits		<u>227,955</u>
		430,837
Decreased by:		
Cash Disbursements		<u>278,742</u>
Balance - December 31, 2021	\$	<u><u>152,095</u></u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Other Trust Fund:				
Current Fund				
Fire Prevention Dedicated Penalties	\$ 1,400		1,150	250
POAA	52			52
Other Trust Fund	(21,718)		1,428	(23,146)
Bullet Proof Vest	33			33
Municipal Alliance	16			16
Flexible Spending	640			640
Bergen County CDA	(3,750)			(3,750)
General Capital Fund				
Bergen County CDA	(32,214)			(32,214)
Escrow Trust Fund:				
Current Fund	(43)		18	(61)
	<u>\$ (55,584)</u>		<u>2,596</u>	<u>(58,180)</u>
Due to Trust Funds	2,141		1,150	991
Due from Trust Funds	<u>(57,725)</u>		<u>1,446</u>	<u>(59,171)</u>
	<u>\$ (55,584)</u>		<u>2,596</u>	<u>(58,180)</u>
Receipts				
Interest on Investments	\$		1,446	
Dedicated Penalties deposited into Current Fund			1,150	
			<u>\$ 2,596</u>	

BOROUGH OF EDGEWATER
Schedule of Miscellaneous Reserves
Trust Funds
Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Reserve for:				
Cemetery Bequests	\$ 16,939		10,750	6,189
Bullet Proof Vests	17,062		12,043	5,019
Ferry Performance Security	195,447			195,447
Fire Prevention	5,436	2,977	1,150	7,263
Cultural and Historical Society	1,152			1,152
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	63,074	8	1,729	61,353
Recycling Fees - Other Trust	19,000		1,900	17,100
Recycling Fees	20,520	33,846	7,588	46,778
Bergen County CDA Trust	102			102
Flexible Spending Trust	36,152	24,913	14,630	46,435
Municipal Alliance Trust	8,373			8,373
POAA	12,997	10		13,007
Shade Tree	7,810	6,580	2,380	12,010
Police Confiscated	3,109	848		3,957
Snow Removal		33,422		33,422
	<u>\$ 739,370</u>	<u>102,604</u>	<u>52,170</u>	<u>789,804</u>
Interfunds			1,150	
Cash Receipts		102,604		
Cash Disbursements			51,020	
		<u>\$ 102,604</u>	<u>52,170</u>	

Exhibit B-7

BOROUGH OF EDGEWATER

Statement of Service Award Contributions Receivable

Emergency Services Length of Service Award Program

Year ended December 31, 2021

Balance - December 31, 2020	\$	78,200
Increased by:		
2021 Borough Contribution		<u>66,700</u>
		144,900
Decreased by:		
2020 Borough Contribution Received		<u>78,200</u>
Balance - December 31, 2021	\$	<u><u>66,700</u></u>

Exhibit B-8

Statement of Net Assets Available for Benefits

Emergency Services Length of Service Award Program

Year ended December 31, 2021

Balance - December 31, 2020	\$	1,377,204
Increased by:		
Borough Contributions	\$	66,700
Investment Income		<u>131,940</u>
		<u>198,640</u>
		1,575,844
Decreased by:		
Distributions		<u>62,991</u>
Balance - December 31, 2021	\$	<u><u>1,512,853</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$	6,960,459
Increased by Receipts:			
Capital Improvement Fund	\$	200,000	
Reserve for Payment of Debt		566,945	
Reserve for Green Acres		2,662	
Interfunds		437,726	
Voided Check		6,486	
Note Sale Proceeds		4,268,000	
Premium on Sale of Notes		44,945	
			<u>5,526,764</u>
			12,487,223
Decreased by Disbursements:			
Improvement Authorizations		1,509,750	
Bond Anticipation Notes		3,660,000	
Fund Balance - Budget Revenue Realized		500,000	
Interfunds		92,111	
			<u>5,761,861</u>
Balance - December 31, 2021		\$	<u><u>6,725,362</u></u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2021

Grants Receivable -	
New Jersey Department of Transportation	\$ (283,973)
New Jersey Department of Environmental Protection	(115,000)
Community Development Block Grant	(152,907)
Federal Emergency Management Agency	(7,336)
Bergen County Open Space/Historical Preservation	(512,057)
Interfunds Receivable	(512,761)
Interfunds Payable	28,050
Capital Improvement Fund	1,761,888
Reserve for Green Acres	19,978
Reserve for Payment of Deb	2,277,527
Unappropriated State Grant	79,408
Reserve for Grants Receivable	1,049,172
Fund Balance	405,677

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1357	Acquisition of Municipal Complex/Police Station	(252,613)
1460	Imps. to the DPW and Community Center Parking Lots	13,847
4	Improvements to Veteran's Field	932,516
1517	Improvements to Undercliff Avenue	24,841
1525	Acquisition of Fire Truck	2,801
1538/1561/2018-14	Historic Borough Hall Improvements, Phase III	96,225
1544	Imps. To Old River Road - Phase III	6,840
1550/2018-3	Various Acquisitions and Improvements	562,928
2018-15/2019-	Various Acquisitions and Improvements	
10/2020-09/2021-13	Various Acquisitions and Improvements	145,565
2019-12	Historic Borough Hall Improvements, Phase IV	825,399
2020-07	911 System	249,500
2020-08	2020 Road Restoration Project	(112,280)
2021-03	Imps. To Orchard St. & Myrtle Avenue	193,727
2021-07	Various Acquisitions and Improvements	(25,890)
2021-11	Reconstruction of Retaining Wall	24,289
		<u>\$ 6,725,362</u>

BOROUGH OF EDGEWATER
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020		\$	40,850,050
Decreased by:			
Infrastructure Loan Payments	\$		164,289
Green Trust Loan Payments			68,385
Capital Lease Payments			62,000
Budget Appropriation to Pay Serial Bonds			<u>3,070,000</u>
			<u>3,364,674</u>
Balance - December 31, 2021		\$	<u><u>37,485,376</u></u>

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2021

Ordinance Number	Improvement Description	Balance, Dec. 31, 2020	2021 Authorizations	Balance, Dec. 31, 2021	Analysis of Balance		
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613		252,613		252,613	
1460	Imps. to DPW and Community Center Parking Lots	161,500		161,500	62,000		99,500
1474/1514	Improvements to Veteran's Field	510		510			510
1534	Imps. To Veteran's Field - Amend 1474/1514/1519	2,726		2,726			2,726
1538/1561/2018-14	Historic Borough Hall Improvements - Phase III	247,081		247,081	247,000		81
1550/2018-3	Various Acquisitions and Improvements	1,266,327		1,266,327	1,257,900		8,427
2018-15/2019-10/2020-09/2021-13	Various Acquisitions and Improvements	1,073,500	213,750	1,287,250	1,070,100		217,150
2019-11	Acquisition of Property	190,000		190,000	190,000		
2019-12	Historic Borough Hall Improvements - Phase IV	950,000		950,000	950,000		
2020-08	2020 Road Restoration Project	198,105		198,105		112,280	85,825
2021-03	Imps. To Orchard St. & Myrtle Avenue		491,325	491,325	491,000		325
2021-07/2021-10	Various Acquisitions and Improvements		4,277,894	4,277,894		25,890	4,252,004
2021-11	Reconstruction of Retaining Wall		1,140,000	1,140,000			1,140,000
		\$ 4,342,362	6,122,969	10,465,331	4,268,000	390,783	5,806,548
	2021 Improvement Authorizations \$		6,122,969				

Improvement Authorizations - Unfunded \$ 7,644,239

Less: Unexpended Proceeds of
Bond Anticipation Notes

Ord. 1460	13,847
Ord. 1538/1561/2018-14	96,225
Ord. 1550/2018-3	562,928
Ord. 2018-15/2019-10/2020-09/2021-13	145,565
Ord. 2019-12	825,399
Ord. 2021-03	193,727
	<u>1,837,691</u>

\$ 5,806,548

Exhibit C-6

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	346,497
Increased by:		
Unappropriated Grant Awards		<u>210,000</u>
		556,497
Decreased by:		
Interfunds		<u>272,524</u>
Balance - December 31, 2021	\$	<u><u>283,973</u></u>

<u>Analysis of Balance</u>		
Ord. 1550 - Undercliff Avenue - Section 3		14,765
Ord. 2020-08 - Undercliff Avenue		166,105
Ord. 2021-03 - Imps. To Myrtle Avenue		<u>103,103</u>
	\$	<u><u>283,973</u></u>

Exhibit C-7

Schedule of Grants Receivable -
New Jersey Department of Environmental Protection
General Capital Fund
Year ended December 31, 2021

Increased by:		
Unappropriated Grant Awards		<u>115,000</u>
Balance - December 31, 2021	\$	<u><u>115,000</u></u>

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

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 72,907
Increased by:	
Unappropriated Grant Awards	<u>80,000</u>
Balance - December 31, 2021	<u>\$ 152,907</u>

<u>Analysis of Balance</u>	
Ord. 1517 - Undercliff Avenue Imps. - (Pal. Terrace to Archer/Myrtle)	72,907
Ord. 2021-03 - Orchard Street Imps.	80,000
	<u>\$ 152,907</u>

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

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	<u>\$ 7,336</u>
Balance - December 31, 2021	<u>\$ 7,336</u>

BOROUGH OF EDGEWATER
**Schedule of Bergen County Open Space/
Historical Preservation Grant Receivables**
General Capital Fund
Year ended December 31, 2021

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

BOROUGH OF EDGEWATER

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ 338,818	551,405	409,676	480,547
Marina Utility Capital Fund				
Marina Utility Operating Fund	(31,057)	31,057	28,050	(28,050)
Other Trust Fund	32,214			32,214
	<u>\$ 339,975</u>	<u>582,462</u>	<u>437,726</u>	<u>484,711</u>
Due to General Capital Fund	371,032	551,405	409,676	512,761
Due from General Capital Fund	(31,057)	31,057	28,050	(28,050)
	<u>\$ 339,975</u>	<u>582,462</u>	<u>437,726</u>	<u>484,711</u>
			Cash Receipts \$ 402,564	
		Cash Disbursements 31,057		
		Interest on Investments 6,045	7,112	
		Reserve for Payment of Debt 215,000		
		Grants Receivable - State AR 272,524		
		Deferred Charge - Overexpenditure 2,827		
		Interest on Notes 54,900		
		Port Security Grant Receipts	28,050	
		Bank Service Charge 109		
		<u>\$ 582,462</u>	<u>437,726</u>	

BOROUGH OF EDGEWATER

Schedule of Overexpenditure of Ordinance Appropriation

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>2,827</u>
Decreased by:	
Overexpenditure Raised in 2021 Budget	\$ <u><u>2,827</u></u>

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance, Dec. 31, 2020	Balance, Dec. 31, 2021
			Date	Outstanding Amount			
Wastewater Improvements	Nov. 8, 2001	125,000				4,763	4,763
			Aug. 1, 2022	35,000	5.00%		
			Aug. 1, 2023	35,000	4.25%		
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	615,000	Aug. 1, 2024	35,000	4.50%		
			Aug. 1, 2025	40,000	4.50%		
			Aug. 1, 2026	40,000	4.50%		
			Aug. 1, 2027	40,000	4.25%	256,000	225,000
Separation of Combined Sewers (Ord. 1366)	Nov. 8, 2007	1,736,481	Feb. 1, 2022	10,463		510,406	422,384
			Aug. 1, 2022	83,491			
			Feb. 1, 2023	8,638			
			Aug. 1, 2023	81,666			
			Feb. 1, 2024	7,086			
			Aug. 1, 2024	80,114			
			Feb. 1, 2025	5,443			
			Aug. 1, 2025	87,599			
			Feb. 1, 2026	3,594			
			Aug. 1, 2026	54,290			
						88,022	

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2020	Balance, Dec. 31, 2021
			Date	Amount			
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	170,000	Aug. 1, 2022	10,000	4.00%	90,000	81,000
			Aug. 1, 2023	10,000	4.00%		
			Aug. 1, 2024	10,000	4.00%		
			Aug. 1, 2025	9,000	4.00%		
			Aug. 1, 2026	9,000	3.50%		
			Aug. 1, 2027	10,000	4.00%		
			Aug. 1, 2028	9,000	4.00%		
			Aug. 1, 2029	14,000	4.00%		
							9,000
Sewer Repairs (Ord. 1418)	Mar. 10, 2010	521,250	Feb. 1, 2022	8,835		238,539	212,035
			Aug. 1, 2022	17,669			
			Feb. 1, 2023	8,835			
			Aug. 1, 2023	17,669			
			Feb. 1, 2024	8,835			
			Aug. 1, 2024	17,669			
			Feb. 1, 2025	8,835			
			Aug. 1, 2025	17,669			
			Feb. 1, 2026	8,835			
			Aug. 1, 2026	17,669			
			Feb. 1, 2027	8,835			
			Aug. 1, 2027	17,670			
		Feb. 1, 2028	8,835				
		Aug. 1, 2028	17,670				
		Feb. 1, 2029	8,835				
		Aug. 1, 2029	17,670				
						26,504	

BOROUGH OF EDGEWATER

Schedule of New Jersey Environmental Infrastructure Trust Fund Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
Sanitary Sewer Repairs (Ord. 1420)	Dec. 2, 2010	245,000	Aug. 1, 2022	8,000	5.00%	80,000	5,000	75,000
			Aug. 1, 2023	8,000	5.00%			
			Aug. 1, 2024	8,000	5.00%			
			Aug. 1, 2025	8,000	5.00%			
			Aug. 1, 2026	8,000	5.00%			
			Aug. 1, 2027	8,000	5.00%			
			Aug. 1, 2028	7,000	5.00%			
			Aug. 1, 2029	10,000	5.00%			
			Aug. 1, 2030	10,000	5.00%			
						\$ 1,179,708	164,289	1,015,419

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
2008 Veterans Field Improvements	Sept 14, 2008	400,000	Mar. 14, 2022	11,037	2.00%	161,723	21,747	139,976
			Sept. 14, 2022	11,147	2.00%			
			Mar. 14, 2023	11,259	2.00%			
			Sept. 14, 2023	11,371	2.00%			
			Mar. 14, 2024	11,485	2.00%			
			Sept. 14, 2024	11,600	2.00%			
			Mar. 14, 2025	11,716	2.00%			
			Sept. 14, 2025	11,833	2.00%			
			Mar. 14, 2026	11,951	2.00%			
			Sept. 14, 2026	12,071	2.00%			
		Mar. 14, 2027	12,192	2.00%				
		Sept. 14, 2027	12,314	2.00%				

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
2018 Veterans Field Improvements (A)	July 9, 2018	315,500	Apr. 9, 2022	7,064	2.00%	288,481	13,919	274,562
	Oct. 9, 2022		7,134	2.00%				
	Apr. 9, 2023		7,206	2.00%				
	Oct. 9, 2023		7,278	2.00%				
	Apr. 9, 2024		7,351	2.00%				
	Oct. 9, 2024		7,424	2.00%				
	Apr. 9, 2025		7,498	2.00%				
	Oct. 9, 2025		7,573	2.00%				
	Apr. 9, 2026		7,649	2.00%				
	Oct. 9, 2026		7,726	2.00%				
	Apr. 9, 2027		7,803	2.00%				
	Oct. 9, 2027		7,881	2.00%				
	Apr. 9, 2028		7,960	2.00%				
	Oct. 9, 2028		8,039	2.00%				
	Apr. 9, 2029		8,120	2.00%				
	Oct. 9, 2029		8,201	2.00%				
	Apr. 9, 2030		8,283	2.00%				
	Oct. 9, 2030		8,366	2.00%				
	Apr. 9, 2031		8,449	2.00%				
	Oct. 9, 2031		8,534	2.00%				
Apr. 9, 2032		8,619	2.00%					
Oct. 9, 2032		8,705	2.00%					
Apr. 9, 2033		8,792	2.00%					
Oct. 9, 2033		8,880	2.00%					
Apr. 9, 2034		8,969	2.00%					
Oct. 9, 2034		9,059	2.00%					
Apr. 9, 2035		9,149	2.00%					
Oct. 9, 2035		9,241	2.00%					
Apr. 9, 2036		9,333	2.00%					
Oct. 9, 2036		9,427	2.00%					
Apr. 9, 2037		9,521	2.00%					
Oct. 9, 2037		9,616	2.00%					
Apr. 9, 2038		9,712	2.00%					

BOROUGH OF EDGEWATER

Schedule of Green Trust Loans Payable

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
2018 Veterans Field Improvements (B)	July 9, 2018	741,655	Apr. 9, 2022	16,605	2.00%	678,139	32,719	645,420
			Oct. 9, 2022	16,771	2.00%			
			Apr. 9, 2023	16,939	2.00%			
			Oct. 9, 2023	17,108	2.00%			
			Apr. 9, 2024	17,279	2.00%			
			Oct. 9, 2024	17,452	2.00%			
			Apr. 9, 2025	17,627	2.00%			
			Oct. 9, 2025	17,803	2.00%			
			Apr. 9, 2026	17,981	2.00%			
			Oct. 9, 2026	18,161	2.00%			
			Apr. 9, 2027	18,342	2.00%			
			Oct. 9, 2027	18,526	2.00%			
			Apr. 9, 2028	18,711	2.00%			
			Oct. 9, 2028	18,898	2.00%			
			Apr. 9, 2029	19,087	2.00%			
			Oct. 9, 2029	19,278	2.00%			
			Apr. 9, 2030	19,471	2.00%			
			Oct. 9, 2030	19,665	2.00%			
			Apr. 9, 2031	19,862	2.00%			
			Oct. 9, 2031	20,061	2.00%			
		Apr. 9, 2032	20,261	2.00%				
		Oct. 9, 2032	20,464	2.00%				
		Apr. 9, 2033	20,669	2.00%				
		Oct. 9, 2033	20,875	2.00%				
		Apr. 9, 2034	21,084	2.00%				
		Oct. 9, 2034	21,293	2.00%				
		Apr. 9, 2035	21,508	2.00%				
		Oct. 9, 2035	21,723	2.00%				
		Apr. 9, 2036	21,940	2.00%				
		Oct. 9, 2036	22,159	2.00%				
		Apr. 9, 2037	22,381	2.00%				
		Oct. 9, 2037	22,605	2.00%				
		Apr. 9, 2038	22,831	2.00%				
						\$ 1,128,343	68,385	1,059,958

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
General Obligation Refunding Bonds	Jan. 25, 2012	7,395,000			\$	935,000	935,000	
General Obligation Bonds	Jul. 15, 2015	11,085,000	Jul. 15, 2022	750,000	2.000%	8,405,000	770,000	7,635,000
			Jul. 15, 2023	750,000	3.000%			
			Jul. 15, 2024	750,000	3.000%			
			Jul. 15, 2025	765,000	3.000%			
			Jul. 15, 2026	770,000	3.000%			
			Jul. 15, 2027	770,000	3.000%			
			Jul. 15, 2028	770,000	3.000%			
			Jul. 15, 2029	770,000	3.000%			
General Obligation Refunding Bonds	Oct. 31, 2016	3,285,000	Aug. 15, 2022	930,000	4.000%	3,035,000	230,000	2,805,000
			Aug. 15, 2023	920,000	4.000%			
			Aug. 15, 2024	955,000	4.000%			

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Balance, Dec. 31, 2021
			Date	Amount			
General Obligation Bonds	July 9, 2019	27,240,000	Feb. 15, 2022	1,485,000	4.000%	26,105,000	24,970,000
			Feb. 15, 2023	1,575,000	4.000%		
			Feb. 15, 2024	1,665,000	4.000%		
			Feb. 15, 2025	1,705,000	4.000%		
			Feb. 15, 2026	1,775,000	4.000%		
			Feb. 15, 2027	1,850,000	4.000%		
			Feb. 15, 2028	1,980,000	4.000%		
			Feb. 15, 2029	2,005,000	4.000%		
			Feb. 15, 2030	2,075,000	3.000%		
			Feb. 15, 2031	2,140,000	3.000%		
			Feb. 15, 2032	2,205,000	3.000%		
			Feb. 15, 2033	2,240,000	2.000%		
			Feb. 15, 2034	2,270,000	1.000%		

\$ 38,480,000 3,070,000 35,410,000

Paid via Budget Appropriation \$ 3,070,000

BOROUGH OF EDGEWATER
Schedule of Capital Leases Payable
General Capital Fund
Year ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Lease Payments</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased</u>
			<u>Date</u>	<u>Amount</u>		
2012 Refunding of 2003 Issuance	May 1, 2012	385,000			62,000	62,000
					<u>\$ 62,000</u>	<u>62,000</u>
Paid via Budget Appropriation \$					<u>62,000</u>	

BOROUGH OF EDGEWATER

Schedule of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2020	Increased by	Decreased by	Balance, Dec. 31, 2021
1460	Improvements to the DPW and Community Center Parking Lots	July 16, 2020	July 15, 2021	July 15, 2022	1.25%	62,000	62,000	62,000	62,000
1561	Historic Borough Hall Improvements - Phase III	July 18, 2019	July 15, 2021	July 15, 2022	1.25%	95,000	95,000	95,000	95,000
2018-3	Various Acquisitions and Improvements (Amend Ord. 1550)	July 18, 2019	July 15, 2021	July 15, 2022	1.25%	1,257,900	1,257,900	1,257,900	1,257,900
2018-14	Amend 1538/1561: Historic Borough Hall Improvements - Phase III	July 18, 2019	July 15, 2021	July 15, 2022	1.25%	152,000	152,000	152,000	152,000
2018-15	Various Acquisitions and Improvements	July 18, 2019	July 15, 2021	July 15, 2022	1.25%	820,100	820,100	820,100	820,100
2019-10	Amend 2018-15: Various Acquisitions and Improvements	July 16, 2020	July 15, 2021	July 15, 2022	1.25%	133,000	133,000	133,000	133,000
2019-11	Acquisition of Property	July 16, 2020	July 15, 2021	July 15, 2022	1.25%	190,000	190,000	190,000	190,000
2019-12	Historic Borough Hall Improvements - Phase IV	July 16, 2020	July 15, 2021	July 15, 2022	1.25%	950,000	950,000	950,000	950,000
2020-09	Supplemental to 2018-15 & 2019-10	July 15, 2021	July 15, 2021	July 15, 2022	1.25%	117,000	117,000	117,000	117,000
2021-03	Imps. to Orchard Street & Myrtle Avenue	July 15, 2021	July 15, 2021	July 15, 2022	1.25%	491,000	491,000	491,000	491,000
						\$ 3,660,000	4,268,000	3,660,000	4,268,000

Cash	608,000
Renewed	3,660,000
	\$ 4,268,000

BOROUGH OF EDGEWATER

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$ 1,388,909
Increased by:		
Cash Receipts	\$ 566,945	
Due from Current Fund	215,000	
Transferred from Reserve for Receivables	<u>106,897</u>	
		<u>888,842</u>
		2,277,751
Decreased by:		
Unexpended Note Proceeds Cancelled		<u>224</u>
Balance - December 31, 2021		<u><u>\$ 2,277,527</u></u>

Analysis of Balance

Ord. 1226, 1272, 1327	183,407
Ord. 1381/1387	461,704
Ord. 1366	88,120
Ord. 1418	3,750
Ord. 1426	344,230
Ord. 1407	61,411
Ord. 1443	100,000
Ord. 1464	33
Ord. 1474/1514/1519/1534	566,947
Ord. 1517 - Undercliff Avenue Imps	3
Ord. 1544	146,025
Ord. 2018-03	215,000
Ord. 2021-03	<u>106,897</u>
	<u><u>\$ 2,277,527</u></u>

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	17,316
Increased by:		
Interest Earned on Investments		<u>2,662</u>
Balance - December 31, 2021	\$	<u><u>19,978</u></u>

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	1,866,966
Increased by:		
2021 Budget Appropriations	\$	<u>200,000</u>
		2,066,966
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>305,078</u>
Balance - December 31, 2021	\$	<u><u>1,761,888</u></u>

BOROUGH OF EDGEWATER

Schedule of Unappropriated Grant

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>79,408</u>
Balance - December 31, 2021	\$ <u><u>79,408</u></u>

Schedule of Reserve for Grant Receivables

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 239,012
Increased by:	
Unappropriated Grant Awards	<u>917,057</u>
	1,156,069
Decreased by:	
Transferred to Reserve for Payment of Debt	<u>106,897</u>
Balance - December 31, 2021	\$ <u><u>1,049,172</u></u>

Analysis of Balance

CDBG - Undercliff Avenue Imps. - (Palisades Terr. to Archer)	72,907
NJ DOT FY19 Undercliff Avenue Restoration Project (Ord. 2020-08)	166,105
CDBG (Ord. 2021-03)	80,000
DOT (Ord. 2021-03)	103,103
CY17 Bergen Co. Open Space Trust (Ord. 2021-07)	230,000
CY18 Bergen Co. Open Space Trust (Memorial Park Imps.) (Ord. 2021-07)	34,620
CY20 Bergen Co. Open Space Trust (Ord. 2021-07)	124,937
Bergen Co. Open Space Trust (Acq. of 1531 & 1541 River Rd.) (Ord. 2021-07)	122,500
NJ DEP Green Acres (Old Borough Hall Imps.) (Ord. 2021-07)	115,000
	\$ <u><u>1,049,172</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance, Dec. 31, 2020	2021 Authorizations	Decreased by:	Balance, Dec. 31, 2021
1357	Acquisition of Municipal Complex/Police Station	\$ 252,613			252,613
1460	Imps. to DPW and Community Center Parking Lots	99,500			99,500
1474	Improvements to Veteran's Field	510			510
1534	Improvements to Veteran's Field	2,726			2,726
1538/1561	Historic Borough Hall Improvements - Phase III	81			81
1550	Various Acquisitions and Improvements	8,427			8,427
2018-15/2019-10	Various Acquisitions and Improvements	1,650			1,650
2020-08	2020 Road Restoration Project	198,105			198,105
2020-09	Amend 2018-15/2019-10: Various Acquisitions & Improvements	118,750		117,000	1,750
2021-03	Imps. To Orchard St. & Myrtle Avenue		491,325	491,000	325
2021-07/2021-10	Various Acquisitions and Improvements		4,277,894		4,277,894
2021-11	Reconstruction of Retaining Wall		1,140,000		1,140,000
2021-13	Amend 2018-15/2019-10/2020-09: Various Acq. & Imps.		213,750		213,750
		<u>\$ 682,362</u>	<u>6,122,969</u>	<u>608,000</u>	<u>6,197,331</u>
			2021 Improvement Authorizations \$ <u>6,122,969</u>		
				Notes Issued \$ <u>608,000</u>	

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020		\$	750,644
Cash Receipts:			
Membership/Slip Rentals	\$	322,553	
2022 Prepaid Slip Rental Revenue		8,740	
Interest on Investments		625	
Interfund		<u>31,591</u>	
			<u>363,509</u>
			1,114,153
Cash Disbursements:			
2021 Appropriations	\$	358,466	
2020 Appropriation Reserves		13,194	
Accrued Interest		<u>6,342</u>	
			<u>378,002</u>
Balance - December 31, 2021		\$	<u><u>736,151</u></u>

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	37,373
Cash Receipts:		
Interfunds		<u>176</u>
		37,549
Cash Disbursements:		
Interfunds		<u>534</u>
Balance - December 31, 2021	\$	<u><u>37,015</u></u>

BOROUGH OF EDGEWATER

Schedule of Marina Utility Capital Fund Cash

Marina Utility Capital Fund

Year ended December 31, 2021

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

Improvement Authorizations:

<u>Ordinance number</u>	<u>Improvement Description</u>	
1465	Acquisition of Marina Dredging Equipment	30,823
1467	Dredging of the Marina	202,505
2017-1551/ 2018-004	Various Marina Improvements	<u>19,498</u>
		\$ <u><u>37,015</u></u>

BOROUGH OF EDGEWATER

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

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Marina Utility Capital Fund	\$ 358	176	534	
Current Fund		8,500	28,658	(20,158)
General Capital Fund	<u>31,057</u>	<u>28,050</u>	<u>31,057</u>	<u>28,050</u>
	<u>\$ 31,415</u>	<u>36,726</u>	<u>60,249</u>	<u>7,892</u>
Due to Marina Utility Operating Fund	\$ 31,415	28,226	31,591	28,050
Due from Marina Utility Operating Fund		<u>8,500</u>	<u>28,658</u>	<u>(20,158)</u>
	<u>\$ 31,415</u>	<u>36,726</u>	<u>60,249</u>	<u>7,892</u>
			Cash Receipts \$ 31,591	
			Reimbursement for Marina Bond Interest Paid 28,658	
		Misposted Receipts 8,500		
		Grants Receivable 28,050		
		Interest Earnings 176		
		<u>\$ 36,726</u>	<u>60,249</u>	

Exhibit D-9

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Marina Utility Operating Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	55,129
Increased by:		
Grant Awards		<u>28,050</u>
		83,179
Decreased by:		
Interfunds		<u>28,050</u>
Balance - December 31, 2021	\$	<u><u>55,129</u></u>

Analysis of Balance

FY17 Port Security Grant	\$	8,937
FY18 Port Security Grant		17,208
FY19 Port Security Grant		934
FY21 Port Security Grant		<u>28,050</u>
	\$	<u><u>55,129</u></u>

BOROUGH OF EDGEWATER

Schedule of 2020 Reserves - Operating

Marina Utility Operating Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 1	1		1
Other Expenses	6,313	11,380	11,380	
2020 Port Security	<u>28,050</u>	<u>28,050</u>	<u>1,814</u>	<u>26,236</u>
	<u>\$ 34,364</u>	<u>39,431</u>	<u>13,194</u>	<u>26,237</u>
Appropriation Reserves	\$	34,364		
Encumbrances		<u>5,067</u>		
		<u>\$ 39,431</u>		

Exhibit D-11

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	5,067
Increased by:		
Transferred from Budget		<u>17,536</u>
		22,603
Decreased by:		
Transferred to Appropriation Reserves		<u>5,067</u>
Balance - December 31, 2021	\$	<u><u>17,536</u></u>

Exhibit D-12

Schedule of Prepaid Slip Revenue
Marina Utility Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	5,500
Increased by:		
2022 Slip Rental Revenue		<u>8,740</u>
		14,240
Decreased by:		
Slip Rental Realized as Revenue		<u>5,500</u>
Balance - December 31, 2021	\$	<u><u>8,740</u></u>

BOROUGH OF EDGEWATER

Schedule of Accrued Interest on Bonds

Marina Utility Operating Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$ 13,807
Increased by:		
Budget Appropriation		<u>37,530</u>
		51,337
Decreased by:		
Cash Disbursements	\$ 6,342	
Due to Current Fund	<u>28,658</u>	
		<u>35,000</u>
Balance - December 31, 2021		<u><u>\$ 16,337</u></u>

<u>Principal Outstanding</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Required</u>	<u>Actual</u>
<u>December 31, 2021</u>	<u>Rate</u>				
Serial Bonds Payable					
870,000	4.00%	8/15/21	12/31/21	<u>14,000</u>	<u>16,337</u>

BOROUGH OF EDGEWATER

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

Marina Utility Operating Fund

Year ended December 31, 2021

Balance, Dec. 31, <u>2020</u>	Amount in 2021 <u>Budget</u>	Balance, Dec. 31, <u>2021</u>
\$ <u>26,851</u>	<u>21,351</u>	\$ <u>5,500</u>

BOROUGH OF EDGEWATER

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

Marina Utility Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>247,943</u>
Balance - December 31, 2021	\$ <u><u>247,943</u></u>

BOROUGH OF EDGEWATER

**Schedule of Fixed Capital Authorized
and Uncompleted**

Marina Utility Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>1,892,996</u>
Balance - December 31, 2021	\$ <u><u>1,892,996</u></u>
<u>Analysis of Balance</u>	
Ord. 1465	450,000
Ord. 1467	742,996
Ord. 2017-1551/2018-004	<u>700,000</u>
	\$ <u><u>1,892,996</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds (Receivable)/Payable

Marina Utility Capital Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Marina Utility Operating	\$ <u>358</u>	<u>176</u>	<u>534</u>	<u> </u>
	\$ <u><u>358</u></u>	<u><u>176</u></u>	<u><u>534</u></u>	<u><u> </u></u>
Interest on Investments		<u>176</u>	<u>534</u>	
		\$ <u><u>176</u></u>	<u><u>534</u></u>	

BOROUGH OF EDGEWATER

Schedule of Improvement Authorizations

Marina Utility Capital Fund

Year ended December 31, 2021

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020		Balance Dec. 31, 2021	
				Funded	Unfunded	Funded	Unfunded
1465	Acquisition of Marina Dredging Equipment	Dec. 19, 2011	450,000 \$	30,823	30,823	202,505	30,823
1467	Dredging of the Marina	Mar. 5, 2012	742,996	202,505	202,505	19,498	19,498
2017-1551/ 2018-004	Various Marina Improvements	Sept. 18, 2017	590,000				
			\$	<u>202,505</u>	<u>50,321</u>	<u>202,505</u>	<u>50,321</u>

BOROUGH OF EDGEWATER

Schedule of Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 210,000
Increased by:	
Paydown on Bonds	<u>70,000</u>
Balance - December 31, 2021	<u>\$ 280,000</u>

Schedule of Deferred Reserve for Amortization

Marina Utility Capital Fund

Year ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2020</u>	Balance Dec. 31, <u>2021</u>
1467	Dredging of Edgewater Marina	\$ <u>742,996</u>	<u>742,996</u>
		<u>\$ 742,996</u>	<u>742,996</u>

BOROUGH OF EDGEWATER, N.J.

Schedule of Serial Bonds

Marina Utility Operating Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
General Obligation Bonds	July 9, 2019	1,050,000	Feb. 15, 2022	75,000	4.00%	\$ 940,000	70,000	870,000
			Feb. 15, 2023	80,000	4.00%			
			Feb. 15, 2024	85,000	4.00%			
			Feb. 15, 2025	90,000	4.00%			
			Feb. 15, 2026	90,000	4.00%			
			Feb. 15, 2027	100,000	4.00%			
			Feb. 15, 2028	110,000	4.00%			
			Feb. 15, 2029	120,000	4.00%			
			Feb. 15, 2030	120,000	3.00%			
						\$ 940,000	70,000	870,000

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2021

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2020	\$ <u>4</u>	<u>2</u>	<u>6</u>
Increased by:			
Interest Earned	<u> </u>	<u> </u>	<u> </u>
Balance - December 31, 2021	\$ <u><u>4</u></u>	<u><u>2</u></u>	<u><u>6</u></u>

BOROUGH OF EDGEWATER

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year ended December 31, 2021

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2020	\$ <u>6</u>	<u>4</u>	<u>2</u>
Increased by:			
Interest Earned	<u> </u>	<u> </u>	<u> </u>
Balance - December 31, 2021	\$ <u><u>6</u></u>	<u><u>4</u></u>	<u><u>2</u></u>

Exhibit F-1

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Sewer Facilities Grant Fund

Year ended December 31, 2021

Balance - December 31, 2020 \$ 74,501

Balance - December 31, 2021 \$ 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, 2021

Balance - December 31, 2020 \$ 74,501

Balance - December 31, 2021 \$ 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, 2021



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Edgewater in the County of Bergen as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated October 13, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

Internal Control Over Financial Reporting

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

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



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

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

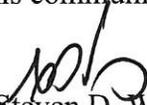
Compliance and Other Matters

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

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

Purpose of this Report

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


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


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

October 13, 2022



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) subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

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

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

BOROUGH OF EDGEWATER

GENERAL COMMENTS, (continued)

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

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$40,000. On July 1, 2020, this amount was increased to \$44,000.

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

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

2021 Road Improvement Program
Solid Waste Collection Services

Historic Borough Hall Park and
Memorial Park Improvements

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

BOROUGH OF EDGEWATER

GENERAL COMMENTS, (continued)

The following resolution authorizing interest to be charged on delinquent taxes was adopted at the reorganization meeting held on January 6, 2020.

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 8, 2021 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, 2021	3
December 31, 2020	4
December 31, 2019	4

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

**BOROUGH OF EDGEWATER
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

COMMENTS

Finance/Treasurer:

1. Some prior year interfunds were not liquidated before the close of the current fiscal year.
2. *There is one ordinance greater than five years old with cash deficits.

Payroll:

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

Departments:

1. Police Department, Marina Contract, Building Department monies are not turned over to the Tax Collector within 48 hours of receipt, in accordance with N.J.C.A. 5:31-3.1(b).

RECOMMENDATIONS

Finance/Treasurer:

1. That all interfund balances be liquidated prior to the close of the year.
2. That all ordinances greater than five years old with cash deficits be funded.

Payroll:

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

Departments:

1. Deposits should be made within 48 hours of receipt as required.

Suggestions to Management:

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

BOROUGH OF EDGEWATER

Status of Prior Year Audit Findings/Recommendations

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

Acknowledgment

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

Respectfully submitted,



Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413



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

October 13, 2022