

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA

December 31, 2018

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Edgewater Park
County of Burlington
Edgewater Park, New Jersey 08010

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the various funds and account groups of the Township of Edgewater Park, County of Burlington, State of New Jersey (the “Township”), as of and for the year ended December 31, 2018, and the related notes to financial statements, which comprise the Township’s basic financial statements, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

As described in Note A of the financial statements, these financial statements are prepared by the Township on the basis of the financial reporting provisions of 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 the State of New Jersey.

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2018, and the results of operations and changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the Township, as of December 31, 2018, and the results of operations and changes in financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

Emphasis of Matter

In 2018, the Township adopted new accounting guidance Governmental Accounting Standards Board Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Township’s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2018, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Supplementary and Other Information (Continued)

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

The supplementary information section as listed in the table of contents has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019, on our consideration of the Township'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 solely 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 the effectiveness of 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 Township's internal control over financial reporting and compliance.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 26, 2019

BASIC FINANCIAL STATEMENTS

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE –
REGULATORY BASIS**

December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash - Chief Financial Officer	SA-1	\$ 4,403,313.86	\$ 4,578,893.60
Cash - Collector	SA-2	184,885.57	395,143.17
Cash - Change Fund	SA-3	650.00	250.00
Due State of New Jersey, Ch. 20, P.L. 1971	SA-4	4,454.20	2,937.75
		<u>4,593,303.63</u>	<u>4,977,224.52</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	321,268.14	358,852.41
Tax Title Liens Receivable	SA-6	154,835.15	125,438.26
Property Acquired for Taxes - Assessed Valuation	SA-18	-	3,028,800.00
Revenue Accounts Receivable	SA-7	14,786.86	13,259.39
Due Trust Other Fund	B	118,012.20	102,743.66
		<u>608,902.35</u>	<u>3,629,093.72</u>
Deferred Charges:			
Special Emergency Appropriation (40A:4-53)	SA-20	100,000.00	-
		<u>5,302,205.98</u>	<u>8,606,318.24</u>
Federal and State Grant Fund:			
Cash	SA-1	121,396.07	72,889.09
Federal and State Grants Receivable	SA-21	210,444.83	85,444.83
		<u>331,840.90</u>	<u>158,333.92</u>
		<u>\$ 5,634,046.88</u>	<u>\$ 8,764,652.16</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE –
REGULATORY BASIS (CONTINUED)**

December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 562,575.75	\$ 781,440.24
Reserve for Encumbrances	A-3;SA-8	36,627.54	43,549.56
Prepaid Taxes	SA-9	121,594.67	266,171.77
Tax Overpayments	SA-10	4,273.89	6,041.96
Due State of New Jersey - State Training Fees	SA-11	1,878.00	2,251.00
Due State of New Jersey - Marriage License Fees	SA-12	200.00	250.00
Due County for Added and Omitted Taxes	SA-16		17,399.20
Reserve for Codification of Ordinances	SA-19	16,400.00	16,400.00
Reserve for Sale of Municipal Assets	SA-19	963,769.50	963,769.50
Reserve for Reassessment of Real Property	SA-19	125,000.00	
Due Open Space Trust Fund	SA-14	59,140.00	
		<u>1,891,459.35</u>	<u>2,097,273.23</u>
Reserves for Receivables and Other Assets	A	608,902.35	3,629,093.72
Fund Balance	A-1	<u>2,801,844.28</u>	<u>2,879,951.29</u>
		<u>5,302,205.98</u>	<u>8,606,318.24</u>
Federal and State Grant Fund:			
Reserve for State and Federal Grants:			
Unappropriated	SA-22	17,508.66	67,791.04
Appropriated	SA-23	314,332.24	90,542.88
		<u>331,840.90</u>	<u>158,333.92</u>
		<u>\$ 5,634,046.88</u>	<u>\$ 8,764,652.16</u>

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE –
REGULATORY BASIS**

Years Ended December 31, 2018 and 2017

<u>Revenue and Other Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 1,275,000.00	\$ 1,125,000.00
Miscellaneous Revenues Anticipated	1,510,320.37	1,388,499.34
Receipts from Current Taxes	17,299,200.34	17,101,444.72
Receipts from Delinquent Taxes	358,087.64	296,355.65
Non-Budget Revenue	96,833.66	100,447.21
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	662,008.02	832,016.94
Liquidation of Reserve:		
Accounts Receivable - Due State of New Jersey Health Benefits		39,490.10
Due Grant Fund		361,263.85
Due Trust Other Fund		250.01
Total Income	21,201,450.03	21,244,767.82
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	2,665,210.44	2,544,654.14
Other Expenses	2,755,351.00	2,529,138.00
Deferred Charges and Statutory Expenditures -		
Municipal - Within "CAPS"	522,599.00	467,718.00
Operations - Excluded from "CAPS":		
Other Expenses	334,301.04	112,169.38
Capital Improvements - Excluded from "CAPS"	238,000.00	232,000.00
Municipal Debt Service - Excluded from "CAPS"	538,667.39	763,230.24
Deferred Charges - Municipal - Excluded from "CAPS"	295,000.00	10,000.00
County Taxes	2,085,160.65	2,189,830.10
Due County for Added and Omitted Taxes		17,399.20
Local District School Tax	10,203,082.00	9,998,933.00
Special - Fire District Taxes	414,120.00	406,000.00
Municipal Open Space Taxes	59,140.00	59,100.00
Municipal Open Space Added and Omitted Taxes		420.92
Other Expenditures:		
Refund of Prior Year Revenue	523.22	7,137.63
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	3,133.76	4,250.00
Creation of Reserves:		
Due Trust Other Fund	15,268.54	
Total Expenditures	20,129,557.04	19,341,980.61
Excess in Revenues	1,071,892.99	1,902,787.21
Adjustment in Income before Fund Balance:		
Expenditures Included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	125,000.00	-
Statutory Excess to Fund Balance	1,196,892.99	1,902,787.21
<u>Fund Balance</u>		
Balance Jan. 1	2,879,951.29	2,102,164.08
	4,076,844.28	4,004,951.29
Decreased by:		
Utilized as Revenue	1,275,000.00	1,125,000.00
Balance Dec. 31	\$ 2,801,844.28	\$ 2,879,951.29

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES – REGULATORY BASIS**

Year Ended December 31, 2018

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,275,000.00	\$ -	\$ 1,275,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	3,500.00		7,650.00	4,150.00
Fees and Permits - Other	6,000.00		11,656.25	5,656.25
Fines and Costs - Municipal Court	110,000.00		190,499.61	80,499.61
Interest and Costs on Taxes	50,000.00		58,785.14	8,785.14
Interest on Investments and Deposits	6,000.00		36,970.69	30,970.69
Comcast Franchise Cable Fees	25,000.00		32,480.48	7,480.48
Consolidated Municipal Property Tax Relief Aid	10,501.00		10,501.00	
Energy Receipts Taxes	665,538.00		665,538.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	50,000.00		115,727.40	65,727.40
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Offset with Appropriations:				
Clean Communities Grant	17,683.45		17,683.45	
Body Armor Replacement Grant	1,624.83		1,624.83	
Recycling Tonnage Grant	45,482.76		45,482.76	
County Park Development Grant	200,000.00		200,000.00	
Green Communities	3,000.00		3,000.00	
Other Special Items:				
Burlington Coat Factory Pilot	107,000.00		112,720.76	5,720.76
	<u>1,301,330.04</u>	<u>-</u>	<u>1,510,320.37</u>	<u>208,990.33</u>
Receipts from Delinquent Taxes	<u>250,000.00</u>		<u>358,087.64</u>	<u>108,087.64</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>5,026,773.62</u>	<u>-</u>	<u>5,165,339.87</u>	<u>138,566.25</u>
Budget Totals	<u>7,853,103.66</u>	<u>-</u>	<u>8,308,747.88</u>	<u>455,644.22</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>96,833.66</u>	<u>96,833.66</u>
	<u>\$ 7,853,103.66</u>	<u>\$ -</u>	<u>\$ 8,405,581.54</u>	<u>\$ 552,477.88</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

<u>Analysis of Realized Revenues</u>	
Allocation of Current Tax Collections:	
Revenue from Collections	\$ 17,299,200.34
Allocated to:	
County Taxes	\$ 2,085,160.65
School Taxes	10,203,082.00
Fire District Taxes	414,120.00
Municipal Open Space Taxes	<u>59,140.00</u>
	12,761,502.65
Balance for Support of Municipal Budget Appropriations	<u>4,537,697.69</u>
Add: Appropriation "Reserve for Uncollected Taxes"	<u>627,642.18</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 5,165,339.87</u>
Revenue from Delinquent Taxes:	
Delinquent Tax Receipts	\$ 355,051.91
Overpayments Applied	<u>3,035.73</u>
	<u>\$ 358,087.64</u>
Fees and Permits - Other:	
Revenue Accounts Receivable:	
Clerk	\$ 3,839.25
Planning Board	1,195.00
Zoning Board	2,580.00
Police Department	192.00
Road Opening Permit	<u>3,850.00</u>
	<u>\$ 11,656.25</u>
Miscellaneous Revenue not Anticipated:	
Receipts:	
Chief Financial Officer:	
Senior Citizens' and Veterans' Administrative Fee	\$ 1,707.00
Homestead Rebate Administrative Fee	824.00
DMV Inspection Fees	1,063.17
Vacant Property Registration Fees	17,599.89
Insurance Reimbursements	1,975.00
Miscellaneous Fees	1,186.82
Property Maintenance Fees	253.52
Construction Rental Inspection Fees	48,121.00
Outstanding Checks Canceled	414.99
Tax Title Lien Premiums Forfeited	11,700.00
Clothing Bin	462.51
Police Off Duty Administration Fees	1,375.00
Refund of Prior Year Expenditures	<u>1,922.00</u>
	\$ 88,604.90
Tax Collector:	
Property Maintenance Fees	1,573.79
Miscellaneous	2,117.40
PILOT Agreement -- ACDEP	<u>4,059.00</u>
	7,750.19
Due from Trust Other Fund:	
Restitution Received by Trust on behalf of Current Fund	475.00
Settlement	<u>3.57</u>
	<u>478.57</u>
	<u>\$ 96,833.66</u>

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS**

Year Ended December 31, 2018

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Administration						
Salaries and Wages	\$ 100,000.00	\$ 72,000.00	\$ 71,053.83		\$ 946.17	
Other Expenses	93,675.00	108,675.00	91,602.72	\$ 13,664.07	3,408.21	
Township Committee						
Salaries and Wages	16,522.00	17,022.00	16,897.50		124.50	
Other Expenses	5,675.00	5,675.00	1,538.12	1,195.00	2,941.88	
Municipal Clerk						
Salaries and Wages	120,000.00	120,000.00	107,674.13		12,325.87	
Other Expenses	27,500.00	27,500.00	16,343.03	597.50	10,559.47	
Financial Administration						
Salaries and Wages	50,600.00	50,600.00	46,114.63		4,485.37	
Other Expenses	83,650.00	88,650.00	83,644.21	4,546.84	458.95	
Audit Services						
Other Expenses	35,000.00	33,000.00	32,500.00		500.00	
Collection of Taxes						
Salaries and Wages	49,725.00	49,725.00	42,010.57		7,714.43	
Other Expenses	26,150.00	28,150.00	26,986.54		1,163.46	
Assessment of Taxes						
Salaries and Wages	11,220.00	11,220.00	11,115.12		104.88	
Other Expenses	14,550.00	14,550.00	6,300.79		8,249.21	
Reserve for Reassessment of Real Property (40A:4-53 \$125,000.00)		125,000.00	125,000.00			
Legal Services and Costs						
Other Expenses	119,290.00	149,290.00	133,593.45		15,696.55	
Municipal Court						
Salaries and Wages	139,740.00	139,740.00	129,724.63		10,015.37	
Other Expenses	15,605.00	15,605.00	11,054.43	33.60	4,516.97	
Prosecutor						
Other Expenses	16,000.00	16,000.00	12,375.00		3,625.00	
Engineering Services and Costs						
Other Expenses	55,000.00	55,000.00	44,379.11		10,620.89	
Economic Development						
Other Expenses	1,500.00	1,500.00	300.00		1,200.00	
Land Use Administration						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages	4,000.00	6,000.00	5,150.00		850.00	
Other Expenses	6,625.00	6,625.00	4,088.46		2,536.54	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>GENERAL GOVERNMENT FUNCTIONS (CONTD)</u>						
Zoning Board						
Salaries and Wages	10,782.00	10,782.00	8,825.80		1,956.20	
Other Expenses	700.00	700.00	525.00		175.00	
Insurance:						
General Liability	65,000.00	59,000.00	58,249.00		751.00	
Workers Compensation	149,091.00	135,091.00	134,373.00		718.00	
Employee Group Health	490,000.00	547,000.00	522,639.16		24,360.84	
Unemployment Compensation Insurance	10,500.00	13,000.00	10,750.82		2,249.18	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police						
Salaries and Wages	1,725,003.73	1,675,003.73	1,663,809.39		11,194.34	
Other Expenses	123,950.00	123,950.00	103,185.79	10,145.27	10,618.94	
Emergency Management						
Other Expenses	1,500.00	1,500.00			1,500.00	
Aid to Ambulance / Emergency Squad	27,000.00	27,000.00	25,000.00		2,000.00	
Public Defender						
Other Expenses	12,000.00	12,000.00	12,000.00			
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance						
Salaries and Wages	329,317.71	299,317.71	244,514.93		54,802.78	
Other Expenses	91,000.00	91,000.00	59,560.16	5,592.29	25,847.55	
Solid Waste Collection						
Salaries and Wages	5,100.00	5,100.00	5,000.06		99.94	
Other Expenses	158,550.00	158,550.00	144,390.00		14,160.00	
Public Buildings and Grounds						
Other Expenses	42,450.00	42,450.00	21,747.20		20,702.80	
Community Services Act						
Other Expenses	255,000.00	255,000.00	228,282.61		26,717.39	
<u>HEALTH AND HUMAN SERVICES</u>						
Animal Control						
Other Expenses	8,500.00	8,500.00	8,500.00			
Board of Health						
Salaries and Wages	4,500.00	4,500.00	3,596.25		903.75	
Other Expenses	950.00	950.00	24.44		925.56	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation Services						
Other Expenses	6,800.00	6,800.00	6,735.18			64.82
Maintenance of Parks						
Other Expenses	4,500.00	4,500.00				4,500.00
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	13,500.00	13,500.00	3,878.72			9,621.28
<u>State Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	60,000.00	60,000.00	49,206.30			10,793.70
Other Expenses	21,600.00	21,600.00	11,511.81	358.50		9,729.69
Construction Sub-Code Officials						
Fire						
Salaries and Wages	7,000.00	7,000.00	6,759.48			240.52
Plumbing						
Salaries and Wages	9,000.00	9,000.00	7,390.86			1,609.14
Electrical						
Salaries and Wages	12,000.00	12,000.00	8,364.24			3,635.76
Other Code Enforcement						
Salaries and Wages	76,200.00	76,200.00	68,924.97			7,275.03
Other Expenses	4,250.00	4,250.00	1,578.63			2,671.37
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Utilities:						
Electricity	58,000.00	58,000.00	51,130.01			6,869.99
Street Lighting	99,040.00	99,040.00	74,675.51			24,364.49
Telephone	30,000.00	31,000.00	29,667.83	273.84		1,058.33
Water Service	3,500.00	3,500.00	2,559.44	209.81		730.75
Natural Gas / Fuel Oil	12,000.00	12,000.00	7,692.29			4,307.71
Telecommunications	20,000.00	20,000.00	16,740.49			3,259.51
Gasoline / Motor Fuel	50,000.00	50,000.00	48,288.96			1,711.04
Trash Disposal	211,500.00	226,500.00	202,480.30			24,019.70

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
OPERATIONS - WITHIN "CAPS" (CONTD)						
<u>Unclassified:</u>						
Accumulated Absences Compensation	40,000.00	40,000.00	40,000.00		-	
Storm Recovery						
Other Expenses	10,000.00	10,000.00	10,000.00		-	
Storm Water Sewers					-	
Other Expenses	20,000.00	20,000.00	5,780.00		14,220.00	
Environmental Commission					-	
Other Expenses	5,250.00	5,250.00	3,890.74		1,359.26	
Aid to Providence House					-	
Other Expenses	1,500.00	1,500.00	490.00		1,010.00	
Newsletter						
Other Expenses	6,000.00	6,000.00	5,400.00		600.00	
Senior Advisory					-	
Other Expenses	1,000.00	1,000.00	643.73		356.27	
Total Operations - Within "CAPS"	5,285,561.44	5,410,561.44	4,938,209.37	36,616.72	435,735.35	-
Contingent	10,000.00	10,000.00			10,000.00	
Total Operations - Including Contingent Within "CAPS"	5,295,561.44	5,420,561.44	4,938,209.37	36,616.72	445,735.35	-
Salaries and Wages	2,770,710.44	2,665,210.44	2,536,132.69		129,077.75	
Other Expenses	2,524,851.00	2,755,351.00	2,402,076.68	36,616.72	316,657.60	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
<u>MUNICIPAL - WITHIN "CAPS"</u>						
Statutory Expenditures:						
Public Employees' Retirement System	84,248.00	84,248.00	84,247.00		1.00	
Social Security System (O.A.S.I.)	200,000.00	198,000.00	191,124.36		6,875.64	
Police and Firemen's Retirement System of N.J.	238,351.00	238,351.00	238,351.00			
Defined Contribution Retirement Program	2,000.00	2,000.00	160.90	8.82	1,830.28	
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	524,599.00	522,599.00	513,883.26	8.82	8,706.92	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	5,820,160.44	5,943,160.44	5,452,092.63	36,625.54	454,442.27	-

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Aid to Library (N.J.S.A. 40:54-35)	2,500.00	2,500.00	2,500.00		-	
Affordable Housing					-	
Other Expenses	50,000.00	52,000.00	49,108.11		2,891.89	
SFSP Fire District Payment	3,010.00	3,010.00	3,010.00		-	
Recycling Tax	9,000.00	9,000.00	7,655.94		1,344.06	
<u>Public and Private Programs Offset by Revenues</u>						
Clean Communities Grant						
Other Expenses	17,683.45	17,683.45	17,683.45			
Body Armor Replacement Grant						
Other Expenses	1,624.83	1,624.83	1,624.83			
County Park Development Grant						
Other Expenses	200,000.00	200,000.00	200,000.00			
Recycling Tonnage Grant						
Other Expenses	45,482.76	45,482.76	45,482.76			
Green Communities Program						
Other Expenses	3,000.00	3,000.00	3,000.00			
<hr/>						
Total Operations - Excluded from "CAPS"	332,301.04	334,301.04	330,065.09	-	4,235.95	-
<hr/>						
Salaries and Wages						
Other Expenses	332,301.04	334,301.04	330,065.09		4,235.95	
<hr/>						
<u>CAPITAL IMPROVEMENT - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
Acquisition of Four Wheel Drive Police Vehicles	38,000.00	38,000.00	34,100.47	\$ 2.00	3,897.53	
Street and Drainage Improvements	100,000.00	100,000.00			100,000.00	
<hr/>						
Total Capital Improvement Fund - Excluded from "CAPS"	238,000.00	238,000.00	134,100.47	2.00	103,897.53	-
<hr/>						
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	360,000.00	360,000.00	360,000.00			
Interest on Bonds	180,000.00	180,000.00	178,667.39		\$	1,332.61
<hr/>						
Total Municipal Debt Service - Excluded from "CAPS"	540,000.00	540,000.00	538,667.39	-	-	1,332.61

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS (CONTINUED)**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<u>DEFERRED CHARGES:</u>						
Special Emergency Authorizations - 5 Years	25,000.00	25,000.00	25,000.00	-	-	
Deferred Charges to Future Taxation Unfunded: Ordinance Number 2013-08	270,000.00	270,000.00	270,000.00			
Total Deferred Charges - Excluded from "CAPS"	295,000.00	295,000.00	295,000.00	-	-	-
Total General Appropriations for Municipal Purposes - Excluded from "CAPS"	1,405,301.04	1,407,301.04	1,297,832.95	2.00	108,133.48	1,332.61
Subtotal General Appropriations	7,225,461.48	7,350,461.48	6,749,925.58	36,627.54	562,575.75	1,332.61
Reserve for Uncollected Taxes	627,642.18	627,642.18	627,642.18	-	-	-
Total General Appropriations	<u>\$ 7,853,103.66</u>	<u>\$ 7,978,103.66</u>	<u>\$ 7,377,567.76</u>	<u>\$ 36,627.54</u>	<u>\$ 562,575.75</u>	<u>\$ 1,332.61</u>
Appropriation by NJSA 40A:4-53 (Special Emergency) Adopted Budget		<u>\$ 125,000.00</u> <u>7,853,103.66</u>				
		<u>\$ 7,978,103.66</u>				
Reserve for Uncollected Taxes			\$ 627,642.18			
Reserve for Federal, State and Other Grants Appropriated			267,791.04			
Special Emergency Authorizations -- 5 Years			25,000.00			
Deferred Charges -- Special Emergency Appropriation: Reserve for Reassessment			125,000.00			
Due Trust Other Fund			8,832.74			
Refunded			(174,472.15)			
Disbursed			6,497,773.95			
			<u>\$ 7,377,567.76</u>			

See notes to financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES – REGULATORY BASIS**

December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 8,298.16	\$ 5,555.41
Open Space Trust Fund:			
Cash - Chief Financial Officer	SB-1	107,368.74	143,849.44
Due Current Fund	B-2	59,140.00	
	SB-1	166,508.74	143,849.44
Other Funds:			
Cash - Chief Financial Officer	SB-1	696,988.03	503,962.07
Cash - Collector	SB-2	201,727.05	260,892.15
Due State of New Jersey Division of Pensions	SB-1		82,448.45
		898,715.08	847,302.67
		\$ 1,073,521.98	\$ 996,707.52

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

TRUST FUNDS

STATEMENTS OF ASSETS, LIABILITIES AND RESERVES – REGULATORY BASIS (CONTINUED)

December 31, 2018 and 2017

LIABILITIES AND RESERVES

Animal Control Fund:

Due State of New Jersey	SB-4		\$ 1.20
Reserve for Dog Fund Expenditures	SB-3	\$ 8,298.16	5,554.21
		<u>8,298.16</u>	<u>5,555.41</u>

Open Space Trust Fund:

Reserve for Open Space Trust	B-1	<u>166,508.74</u>	<u>143,849.44</u>
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Other Funds:

Due Current Fund	SB-5	118,012.20	102,743.66
Reserve for Encumbrances	SB-6	6,278.30	
Reserve for Special Law Enforcement	SB-6	8,347.18	2,260.02
Reserve for Public Defender	SB-6	12,790.00	8,833.50
Reserve for Escrow Deposits	SB-6	328,729.58	307,658.93
Reserve for Street Opening	SB-6	4,620.00	6,120.00
Reserve for Recreation Contributions	SB-6	8,230.13	8,230.13
Reserve for Parking Offenses Adjudication Act	SB-6	831.00	755.00
Reserve for Bicycle Patrol Fund	SB-6	1,995.00	1,995.00
Reserve for Trees Fund (Branches of Love)	SB-6	567.00	567.00
Reserve for Police Outside Services	SB-6	9,871.02	8,135.42
Reserve for Train Station	SB-6	795.00	795.00
Reserve for Flexible Spending	SB-6	2,595.42	588.86
Reserve for Development Fee	SB-6	5,007.44	4,968.41
Reserve for Accumulated Absences	SB-6	99,955.25	81,956.69
Reserve for Storm Recovery	SB-6	40,000.00	30,000.00
Payroll Deductions Payable	SB-6	49,167.08	20,802.90
Reserve for Tax Title Lien Redemptions	SB-6	4,523.48	28,992.15
Reserve for Premiums Received at Tax Sale	SB-6	196,400.00	231,900.00
		<u>898,715.08</u>	<u>847,302.67</u>
		<u>\$ 1,073,521.98</u>	<u>\$ 996,707.52</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-1

**OPEN SPACE TRUST FUND
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE FOR FUTURE USE –
REGULATORY BASIS**

Year Ended December 31, 2018

<u>Revenue and Other Income Realized</u>	<u>2018</u>	<u>2017</u>
Reserve for Future Use	\$ 93,860.00	\$ 93,900.00
Amount to be Raised by Taxation	<u>59,140.00</u>	<u>59,520.92</u>
Total Income	<u>153,000.00</u>	<u>153,420.92</u>
<u>Expenditures</u>		
Salaries and Wages	599.50	5,000.00
Other Expenses	<u>35,881.20</u>	<u>37,995.74</u>
Total Expenditures	<u>36,480.70</u>	<u>42,995.74</u>
Excess (Deficit) in Revenue	<u>116,519.30</u>	<u>110,425.18</u>
Statutory Excess to Reserve	116,519.30	110,425.18
<u>Reserve for Future Use</u>		
Balance Jan. 1	<u>143,849.44</u>	<u>127,324.26</u>
	<u>260,368.74</u>	<u>237,749.44</u>
Utilized as Revenue: Reserve for Future Use	<u>93,860.00</u>	<u>93,900.00</u>
Balance Dec. 31	<u>\$ 166,508.74</u>	<u>\$ 143,849.44</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-2

**OPEN SPACE TRUST FUND
STATEMENT OF REVENUES – REGULATORY BASIS**

Year Ended December 31, 2017

	<u>Budget Revenues</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 59,140.00	\$ 59,140.00	\$ -
Reserve Funds	93,860.00	93,860.00	
	<u>\$ 153,000.00</u>	<u>\$ 153,000.00</u>	<u>\$ -</u>
<u>Analysis of Realized Revenues</u>			
Analysis of Current Tax Collections:			
Due Current Fund - Open Space Tax Levy		<u>\$ 59,140.00</u>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-3

**OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES – REGULATORY BASIS**

Year Ended December 31, 2017

	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Unexpended Balance Canceled</u>
Development of Lands for Recreation and Conservation:			
Salaries and Wages	\$ 5,000.00	\$ 599.50	\$ 4,400.50
Other Expenses	148,000.00	35,881.20	112,118.80
	<u>\$ 153,000.00</u>	<u>\$ 36,480.70</u>	<u>\$ 116,519.30</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE –
REGULATORY BASIS**

December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash - Chief Financial Officer	SC-1, SC-2	\$ 553,261.56	\$ 1,052,934.01
Deferred Charges to Future Taxation:			
Funded	SC-3	3,425,000.00	3,785,000.00
Unfunded	SC-4	3,789,450.00	2,994,450.00
Accounts Receivable	SC-7	250,000.00	45,720.00
		<u>\$ 8,017,711.56</u>	<u>\$ 7,878,104.01</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	SC-11	\$ 3,425,000.00	\$ 3,785,000.00
Improvement Authorizations:			
Funded	SC-8	831,283.89	737,859.63
Unfunded	SC-8	1,712,944.67	2,116,684.63
Contracts Payable	SC-5	848,191.86	348,408.88
Reserve for Encumbrances	SC-9	205,863.27	18,723.00
Reserve for Payment of Debt	SC-6	348,037.57	270,037.57
Capital Improvement Fund	SC-10	296,428.16	251,428.16
Fund Balance	C	349,962.14	349,962.14
		<u>\$ 8,017,711.56</u>	<u>\$ 7,878,104.01</u>
Bonds and Notes Authorized but not Issued	SC-12	<u>\$ 3,789,450.00</u>	<u>\$ 2,994,450.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS – REGULATORY BASIS**

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
General Fixed Assets:		
Land	\$7,742,542.00	\$4,740,365.00
Buildings and Contents	3,093,702.05	2,733,888.61
Vehicles	946,544.69	848,388.69
	<hr/>	<hr/>
Total	<u>\$11,782,788.74</u>	<u>\$8,322,642.30</u>
Total Investment in General Fixed Assets	<u>\$11,782,788.74</u>	<u>\$8,322,642.30</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-1

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF INVESTMENTS IN FIXED ASSETS – REGULATORY BASIS**

December 31, 2018 and 2017

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Reclassification</u>	Balance December 31, <u>2018</u>
General Fixed Assets:				
Buildings and Contents	\$ 4,740,365.00	\$ 3,028,800.00	\$ (26,623.00)	\$ 7,742,542.00
Property Held for Redevelopment	2,733,888.61	333,190.44	26,623.00	3,093,702.05
Furniture, Vehicles and Equipment	848,388.69	98,156.00		946,544.69
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 8,322,642.30</u>	<u>\$ 3,460,146.44</u>	<u>\$ -</u>	<u>\$ 11,782,788.74</u>
Total Investment in General Fixed Assets	<u>\$ 8,322,642.30</u>	<u>\$ 3,460,146.44</u>	<u>\$ -</u>	<u>\$ 11,782,788.74</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Township of Edgewater Park, County of Burlington, New Jersey (“the Township”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A.40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Descriptions of Funds

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). 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 Township accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – the various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – accounts for receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund – the Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

Basis of Accounting

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

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 the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a liability in the financial statements and constitute part of the Township’s statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Pension and Other Post-Employment Benefits ("OPEB") expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

Foreclosed Property – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – 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.

Inventories of Supplies - 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.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for Governmental Fixed Assets, as promulgated by Technical Directive No. 2 as issued by the Division, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive:

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded 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.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Departures from Accounting Principles Generally Accepted in the United States of America ("GAAP") - The accounting principles and practices followed by the Township differ in some respects, which in some instances may be material from GAAP applicable to local government units.

The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Over-expended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets. It was not practicable to determine the effect of such differences.

Budgets - the Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Not later than February 10 of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held not less than twenty-eight days after introduction and budget approval; after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1 by a resolution adopted by the governing body.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Township is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2018, and reported at fair value are as follows:

Type	Maturities	Value
Demand Deposits	N/A	<u>\$ 6,277,889.04</u>
Reconciliation of Cash		
Current		\$ 4,588,849.43
Federal and State Grants		121,396.07
Dog Trust		8,298.16
Other Trust		1,006,083.82
General Capital		<u>553,261.56</u>
Total Reconciliation of Comparative Balance Sheets		<u>\$ 6,277,889.04</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments, had a bank balance of \$6,451,122.43 at December 31, 2018. Of the bank balance, \$256,463.10 was fully insured by the Federal Deposit Insurance Corporation and \$6,194,659.33 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (“GUDPA”). The GUDPA is more fully described in Note C of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2018, are provided in the above schedule.

Investment Credit Risk – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local governments' investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”)

The Township has deposited cash in 2018 with an approved public fund depository qualified under the provisions of GUDPA. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA, a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance 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. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3½% of the average of the last three preceding years' equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2018, was \$6,866,412.43. The Township's remaining borrowing power is \$11,735,878.66.

The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the Supplementary Information section of this report.

Pooled Loan Revenue Bonds – Series 2013A

In December of 2003, the Township entered into a lease and agreement with the Burlington County Bridge Commission ("Commission"). This agreement provides the Township to finance capital projects and capital equipment through the issuance of County-Guaranteed Pooled Loan Revenue Bonds (2003 Governmental Leasing Program). On February 28, 2013, the 2003 pooled loan revenue bonds were refinanced under Series 2013A. The following is a schedule of annual payments to the Commission for principal and interest:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 175,000.00	\$ 48,500.00	\$ 223,500.00
2020	185,000.00	39,750.00	224,750.00
2021	195,000.00	30,500.00	225,500.00
2022	205,000.00	20,750.00	225,750.00
2023	<u>210,000.00</u>	<u>10,500.00</u>	<u>220,500.00</u>
Total	<u>\$ 970,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 1,120,000.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT (CONTINUED)

Pooled Loan Revenue Bonds – Series 2014A-2

In January of 2014, the Township entered into a lease and agreement with the Commission. This agreement provides the Township to permanently finance various general capital improvements through the issuance of County-Guaranteed Pooled Loan Revenue Bonds (2014A-2 Governmental Loan Program). The following is a schedule of annual payments to the Commission for principal and interest:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 195,000.00	\$ 114,319.00	\$ 309,319.00
2020	205,000.00	104,569.00	309,569.00
2021	215,000.00	94,319.00	309,319.00
2022	230,000.00	83,569.00	313,569.00
2023	240,000.00	72,069.00	312,069.00
2024-2028	1,370,000.00	190,012.00	1,560,012.00
Total	<u>\$ 2,455,000.00</u>	<u>\$ 658,857.00</u>	<u>\$ 3,113,857.00</u>

E. LEASE OBLIGATIONS

At December 31, 2018, the Township had lease agreements in effect for the following:

Operating:

Three (3) Copiers

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 5,603.40
2020	5,603.40
2021	5,603.40
2022	5,136.45
	<u>\$ 21,946.65</u>

Rental payments under operating leases for the year 2018 were \$5,603.40.

CAPITAL LEASE OBLIGATIONS

At December 31, 2018, the Township had a capital lease agreement in effect for four police vehicles.

Capital Leases – Future minimum payments under a capital lease agreement for four police vehicles are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 33,850.47
2020	<u>33,850.47</u>
Total Minimum Lease Payments	67,700.94
Less: Amount Representing Interest	<u>3,395.41</u>
Present Value of Net Minimum Lease Payments	<u>\$ 64,305.53</u>

Lease payments under Capital leases for the year 2018 were \$33,850.47.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. COMPENSATED ABSENCES

Full-time employees are entitled to sick leave and vacation days each year in accordance with the current union contracts. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year.

The Township compensates employees for all unused vacation days upon termination or retirement. The current policy also provides for the payment of seventy-five percent of unused sick leave accumulated at the rate of pay upon termination or retirement.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$293,125.27.

G. DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Program in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division. The program is offered by the Township through two program administrators, PEBSCO & Equitable. The programs, available to all full-time employees at their option, permit employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan and all income attributed to those amounts are the exclusive property of the Township of Edgewater Park, subject to the claims of the general creditors of the Township. Participants' rights under the plan are equal to those of a general creditor of the Township in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Township would use plan assets to satisfy claims of the general creditors in the future.

Certain provisions of the Job Protection Act of 1997 affect the Plan. Commencing on January 1, 1999, amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. On September 3, 1997, the State of New Jersey implemented new regulations that require all new plans to be in compliance with the provisions of the Act. Since the Township's plan was adopted before August 20, 1996, the date the Act was signed into law, the Township has until January 1, 1999, to amend the plan or adopt a new one that complies with the Act and State regulations.

The Township assumes no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

H. PENSION OBLIGATIONS

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. For additional information about PERS, please refer to

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

the Division's Comprehensive Annual Financial Report ("CAFR") which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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 twenty-five years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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 sixty and to tier 3 members upon reaching age sixty-two. 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 sixty-two and tier 5 members upon reaching age sixty-five. Early retirement benefits are available to tiers 1 and 2 members before reaching age sixty, tiers 3 and 4 before age sixty-two with twenty-five or more years of service credit, and tier 5 with thirty or more years of service credit before age sixty-five. 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 twenty-five years of service.

Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute fifty percent of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of fifteen years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$84,247 for 2018.

The employee contribution rate was 7.34% effective July 1, 2017, and increased to 7.50% effective July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2018, the Township's proportionate share of the PERS net pension liability is valued to be \$1,772,057. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was .00900%, which was an increase of .00001% from its proportion measured as of June 30, 2017.

Actuarial Valuation date	<u>December 31, 2018</u> June 30, 2018
Net Pension Liability	\$ 1,772,057
Township's Portion of the Plan's Total Net Pension Liability	0.00900%

Actuarial Assumptions – The collective total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases Through 2026	1.65 - 4.15% Based on Age
Thereafter	2.65 - 5.15% Based on Age
Investment Rate of Return	7.00%

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for Male and Female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018), 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, 2018, are summarized in the following table:

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Public Employees' Retirement System ("PERS") (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	At 1% decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
Local	<u>\$ 2,228,158</u>	<u>\$ 1,772,057</u>	<u>\$ 1,389,418</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s 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. For additional information about 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.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four 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 two percent of final compensation for each year of creditable service, as defined, up to thirty years plus 1% for each year of service in excess of thirty years. Members may seek special retirement after achieving twenty-five 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 twenty-five years but not to exceed thirty years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age fifty-five equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute fifty percent of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of fifteen years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$238,351 for 2018.

The employee contributions for PFRS is ten percent of employees’ annual compensation, as defined.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”) (Continued)

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State 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 local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability and Pension Expense - At December 31, 2018, the Township’s proportionate share of the PFRS net pension liability is valued to be \$4,002,259. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2018. The Township’s proportion measured as of June 30, 2018, was .02958%, which was an increase of .00265% from its proportion measured as of June 30, 2017.

	<u>December 31, 2018</u>
Actuarial Valuation date	June 30, 2018
Net Pension Liability	\$ 4,002,259
Township's Portion of the Plan's Total Net Pension Liability	0.02958%

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$543,641 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2018, was .02958%, which was an increase of .00265% from its proportion measured as of June 30, 2017, which is the same proportion as the Township’s.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”)

Township's Proportionate Share of the Net Pension Liability	\$ 4,002,259.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	543,641.00
Total Net Pension Liability	<u>\$ 4,545,900.00</u>

Actuarial Assumptions – The collective total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10 - 8.98% Based on Age
Thereafter	3.10 - 9.98% Based on Age
Investment Rate of Return	7.00%

Pre-Retirement mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-Retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-Retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”)

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, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATIONS (CONTINUED)

Police and Firemen’s Retirement System (“PFRS”)

municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	At 1% decrease (5.51%)	At current discount rate (6.51%)	At 1% increase (7.51%)
Local	<u>\$ 6,084,123</u>	<u>\$ 4,545,900</u>	<u>\$ 3,277,146</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (“DCRP”) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township currently has one employee enrolled in the DCRP. The Township paid \$160.90 for the year ended December 31, 2018.

Related-Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. ASSESSMENTS AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District, and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3 with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1 and November 1 of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one-half of the prior year's tax. The preliminary payments are due and payable on February 1 and May 1. The New Jersey statutes allow a grace period of ten days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of eight percent or eighteen percent of the amount delinquent. If taxes are delinquent on or after April 1 of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

J. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required PERS to fund post-retirement medical benefits for those State employees who retire after reaching age sixty and accumulating twenty-five years of credited service. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS system. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternative Benefit Program. The State paid \$238.9 million toward Chapter 126 benefits for 30,913 eligible retired members in Fiscal Year 2017.

State Health Benefits Plan Description

The Township of Edgewater Park contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52: 14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. POST-RETIREMENT BENEFITS (CONTINUED)

State Health Benefits Plan Description (Continued)

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, The Township of Edgewater Park authorized participation in the SHBP's post-retirement benefit program through resolution number 165-2002 on October 23, 2002. The Township adopted the provision of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey Health Benefits Program. In 2011, Township employees began making health benefit contributions of 1.5% of their base salaries towards the health benefit costs.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.nj.gov/treasury/omb/publications/archives.shtml.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. As a participating employer the Township will pay and remit to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Law of 1972.

The Township's contributions to SHBP for the years ended December 31, 2018 and 2017, were \$47,986 and \$16,817, respectively, which equaled the required contributions for each year. There was three retired participants eligible at December 31, 2018, and one retired participant eligible in 2017.

General Information About the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. POST-RETIREMENT BENEFITS (CONTINUED)

General Information About the OPEB Plan (Continued)

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. POST-RETIREMENT BENEFITS (CONTINUED)

Net OPEB Liability

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2018 and 2017, is as follows:

	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB liability	\$ 2,623,298	\$ 3,342,524	\$ 3,685,389
Plan Fiduciary Net Position	51,623	34,554	25,344
Net OPEB Liability	<u>\$ 2,571,675</u>	<u>\$ 3,307,970</u>	<u>\$ 3,660,044</u>
Plan Fiduciary Net Position as a percentage of total OPEB liability	1.97%	1.03%	0.69%

The total OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary increases*	
Through 2026	1.65 - 8.98%
Thereafter	2.65 - 9.98%

* Salary increase are based on the defined benefit plan that the member is enrolled in and his or her age.

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017, valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013, and July 1, 2011 to June 30, 2014, respectively.

One hundred percent of active members are considered to participate in the Plan upon retirement.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. POST-RETIREMENT BENEFITS (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017, was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the collective net OPEB 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:

At June 30, 2018		
At 1% Decrease (2.87%)	At Current Discount Decrease (3.87%)	At 1% Increase (4.87%)
\$ 3,017,255	\$ 2,571,675	\$ 2,215,758

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2018		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 2,145,190	\$ 2,571,675	\$ 3,123,611

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. POST-RETIREMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for June 30, 2018 and 2017, respectively:

Year Ending June 30,	<u>OPEB</u>
2019	\$ (157,041)
2020	(157,041)
2021	(157,041)
2022	(157,041)
2023	(157,042)
Thereafter	<u>(451,792)</u>
	<u>\$ (1,236,998)</u>

K. CAPITAL ASSETS

The following schedule is a summarization of the changes in General Capital Assets by Source for the year ended December 31, 2018:

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Reclassification</u>	Balance December 31, <u>2018</u>
General Fixed Assets:				
Buildings and Contents	\$ 4,740,365.00	\$ 3,028,800.00	\$ (26,623.00)	\$ 7,742,542.00
Property Held for Redevelopment	2,733,888.61	333,190.44	26,623.00	3,093,702.05
Furniture, Vehicles and Equipment	848,388.69	98,156.00		946,544.69
	<hr/>			
Total	<u>\$ 8,322,642.30</u>	<u>\$ 3,460,146.44</u>	<u>\$ -</u>	<u>\$ 11,782,788.74</u>
Total Investment in General Fixed Assets	<u>\$ 8,322,642.30</u>	<u>\$ 3,460,146.44</u>	<u>\$ -</u>	<u>\$ 11,782,788.74</u>

L. JOINT INSURANCE POOL

The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability Other Than Motor Vehicles
- Property Damage Other Than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. JOINT INSURANCE POOL (CONTINUED)

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489, Marlton, New Jersey 08053

M. FUND BALANCE

Of the \$2,801,844 Current Fund balance at December 31, 2018, \$1,300,000 is appropriated in the 2019 budget.

N. INTERFUNDS

The following interfunds remained as of December 31, 2018:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 118,012.20	\$ 59,140.00
Trust Other Funds	59,140.00	118,012.20
Total Funds	<u>\$ 177,152.20</u>	<u>\$ 177,152.20</u>

The purpose of these interfunds are short-term borrowings.

O. SUBSEQUENT EVENTS

The Township management has evaluated subsequent events occurring after December 31, 2018, through August 26, 2019, which is the date the financial statements were available to be issued. No items were noted that required disclosure.

SUPPLEMENTAL SCHEDULES

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-1

**CURRENT FUND
SCHEDULE OF CURRENT AND GRANT FUNDS CASH – CHIEF FINANCIAL OFFICER**

Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2017	\$ 4,578,893.60	\$ 72,889.09
Increased by Receipts:		
Received from Collector	\$ 17,651,421.78	
Taxes Receivable - Homestead Rebate	232,643.21	
Revenue Accounts Receivable	362,503.95	
Due State of New Jersey, Ch. 20, P.L. 1971	83,849.79	
Miscellaneous Revenue not Anticipated	88,604.90	
Consolidated Municipal Property Tax Relief Aid	10,501.00	
Energy Receipts Tax	665,538.00	
Cable TV Franchise Fees	32,480.48	
Construction Code - State Training Fees	9,898.00	
Clerk - Marriage License Fees	1,025.00	
Appropriation Refunds	174,472.15	
Reserve for Fence Repairs	2,495.00	
Due Trust Other Fund	619.26	
Federal and State Grants Receivable		\$ 92,508.66
Contra	<u>239,150.26</u>	
	<u>19,555,202.78</u>	<u>92,508.66</u>
	24,134,096.38	165,397.75
Decreased by Disbursements:		
2018 Appropriations	6,497,773.95	
2017 Appropriation Reserves	162,981.78	
County Taxes Payable	2,085,160.65	
Due County for Added and Omitted Taxes	17,399.20	
Local School Taxes Payable	10,203,082.00	
Fire District Taxes Payable	414,120.00	
Tax Overpayments	72,108.49	
Construction Code - State Training Fees	10,271.00	
Clerk - Marriage License Fees	1,075.00	
Due Trust Other Fund	24,241.97	
Reserve for Fence Repairs	2,495.00	
Operations - Refund of Prior Year Revenue	523.22	
Change Funds	400.00	
Federal and State Grants--Appropriated		44,001.68
Contra	<u>239,150.26</u>	
	<u>19,730,782.52</u>	<u>44,001.68</u>
Balance Dec. 31, 2018	<u>\$ 4,403,313.86</u>	<u>\$ 121,396.07</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-2

**CURRENT FUND
SCHEDULE OF CURRENT FUND CASH – COLLECTOR**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	395,143.17
Increased by Receipts:			
Taxes Receivable	\$	17,066,937.27	
Interest and Cost on Taxes		58,785.14	
Prepaid Taxes		121,594.67	
Tax Overpayments		73,376.15	
Revenue Account Receivable		112,720.76	
Miscellaneous Revenue not Anticipated		<u>7,750.19</u>	
			<u>17,441,164.18</u>
			17,836,307.35
Decreased by Disbursements:			
Payments to Chief Financial Officer			<u>17,651,421.78</u>
Balance Dec. 31, 2018		\$	<u><u>184,885.57</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-3

**CURRENT FUND
SCHEDULE OF CHANGE FUNDS**

Year Ended December 31, 2018

<u>Office</u>	<u>Amount</u>
Balance Dec. 31, 2017	\$ 250.00
Increased by:	
Receipts - Treasurer	<u>400.00</u>
Balance Dec. 31, 2018	<u>\$ 650.00</u>
Court	\$ 150.00
Tax	200.00
Finance	<u>300.00</u>
	<u>\$ 650.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-4

**CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY
CH. 20, P.L. 1971**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 2,937.75
Increased by:		
2018 Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 89,250.00	
2018 Senior Citizens' and Veterans' Deductions Allowed by Collector	<u>1,500.00</u>	
	90,750.00	
Deduct: 2018 Senior Citizens' and Veterans' Deductions Disallowed by Collector	<u>2,250.00</u>	
		\$ 88,500.00
Deduct: Prior Year Senior Citizens' and Veterans' Deductions Disallowed by Collector	<u>3,133.76</u>	
		<u>85,366.24</u>
		88,303.99
Decreased by:		
Collections		<u>83,849.79</u>
Balance Dec. 31, 2018		<u>\$ 4,454.20</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-5

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year Ended December 31, 2018

Year	Balance	2018 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance
	Dec. 31, 2017			2017	2018					Dec. 31, 2018
2006	\$ 50.00									\$ 50.00
2014	1,766.21									1,766.21
2017	357,036.20		\$ 3,133.76		\$ 355,051.91			\$ 3,035.73		2,082.32
	358,852.41	-	3,133.76	-	355,051.91	-	-	3,035.73	-	3,898.53
2018	-	\$ 17,796,208.46	2,153.12	\$ 266,171.77	16,944,528.57	\$ 88,500.00	\$ 153,916.25	-	\$ 27,875.38	317,369.61
	\$ 358,852.41	\$ 17,796,208.46	\$ 5,286.88	\$ 266,171.77	\$ 17,299,580.48	\$ 88,500.00	\$ 153,916.25	\$ 3,035.73	\$ 27,875.38	\$ 321,268.14

Analysis of 2018 Property Tax Levy

Tax Yield

General Purpose Tax		\$ 17,796,208.46
<u>Tax Levy</u>		
Local District School Tax	10,203,082.00	
County Taxes:		
County Tax	\$ 1,796,888.23	
Open Space Tax	129,875.64	
Library	158,396.78	
Total County Taxes	2,085,160.65	
Fire District Taxes	414,120.00	
Local Open Space Taxes	59,140.00	
Local Tax for Municipal Purposes	5,026,773.62	
Add: Additional Tax Levied	7,932.19	
Local Tax for Municipal Purposes Levied	5,034,705.81	
		\$ 17,796,208.46

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-6

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 125,438.26
Increased by:		
Transfers from Taxes Receivable	\$ 27,875.38	
Year End Penalty Added	<u>1,521.51</u>	
		<u>29,396.89</u>
Balance Dec. 31, 2018		<u><u>\$ 154,835.15</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-7

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Accrued <u>in 2018</u>	<u>Collected by</u>		Balance <u>Dec. 31, 2018</u>
			<u>Chief Financial Officer</u>	<u>Tax Collector</u>	
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 7,650.00	\$ 7,650.00		
Fees and Permits -- Other:					
Clerk - Other		3,839.25	3,839.25		
Planning Board		1,195.00	1,195.00		
Zoning Board		2,580.00	2,580.00		
Police Department		192.00	192.00		
Road Opening Permit		3,850.00	3,850.00		
Uniform Construction Code Fees		115,727.40	115,727.40		
Municipal Court Fines and Costs	\$ 13,259.39	192,027.08	190,499.61		\$ 14,786.86
Burlington Coat Factory Pilot		112,720.76		\$ 112,720.76	
Interest on Investments		36,970.69	36,970.69		
	<u>\$ 13,259.39</u>	<u>\$ 476,752.18</u>	<u>\$ 362,503.95</u>	<u>\$ 112,720.76</u>	<u>\$ 14,786.86</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-8

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES**

Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
Administration					
Salaries and Wages		\$ 17,716.21	\$ 17,716.21		\$ 17,716.21
Other Expenses	\$ 19,810.92	9,824.41	29,635.33	\$ 23,564.28	6,071.05
Township Committee					
Salaries and Wages		37.15	37.15		37.15
Other Expenses		2,990.50	2,990.50	2,014.23	976.27
Municipal Clerk					
Salaries and Wages		7,407.04	7,407.04		7,407.04
Other Expenses	181.00	10,253.89	10,434.89	1,113.42	9,321.47
Financial Administration					
Salaries and Wages		14,346.94	14,346.94		14,346.94
Other Expenses	4,425.00	14,376.80	18,801.80	5,153.54	13,648.26
Audit Services					
Other Expenses		3,000.00	3,000.00		3,000.00
Collection of Taxes					
Salaries and Wages		12,192.95	12,192.95		12,192.95
Other Expenses	31.56	1,816.68	1,848.24	31.56	1,816.68
Assessment of Taxes					
Salaries and Wages		301.52	301.52		301.52
Other Expenses	1,458.95	592.94	2,051.89		2,051.89
Legal Services and Costs					
Other Expenses		35,680.16	35,680.16	7,604.63	28,075.53
Municipal Court					
Salaries and Wages		6,688.46	6,688.46		6,688.46
Other Expenses	365.00	2,816.42	3,181.42	411.64	2,769.78
Municipal Prosecutor					
Other Expenses		1,500.00	1,500.00		1,500.00
Engineering Services and Costs					
Other Expenses		37,713.09	37,713.09	7,946.11	29,766.98
Economic Development					
Other Expenses		2,700.00	2,700.00		2,700.00
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board					
Salaries and Wages		1,725.00	1,725.00		1,725.00
Other Expenses		3,685.18	3,685.18	558.25	3,126.93
Zoning Board					
Salaries and Wages		1,345.56	1,345.56		1,345.56
Other Expenses		270.00	270.00		270.00
Insurance:					
General Liability		6,410.00	6,410.00		6,410.00
Workers Compensation		25,501.00	25,501.00		25,501.00
Employee Group		46,356.97	46,356.97	12,058.07	34,298.90
Unemployment Compensation Insurance		533.81	533.81		533.81
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		81,130.71	81,130.71	2,971.91	78,158.80
Other Expenses	1,797.57	21,829.89	23,627.46	2,673.34	20,954.12
Emergency Management					
Other Expenses		1,500.00	1,500.00		1,500.00
PUBLIC WORKS FUNCTIONS					
Streets and Roads Maintenance					
Salaries and Wages		46,030.44	46,030.44		46,030.44
Other Expenses	2,479.04	35,931.34	38,410.38	11,370.80	27,039.58

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-8

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (CONTINUED)**

Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>					
<u>PUBLIC WORKS FUNCTIONS (CONTD)</u>					
Solid Waste Collection					
Salaries and Wages		99.94	99.94	-	99.94
Other Expenses		32,841.65	32,841.65	13,115.00	19,726.65
Public Buildings and Grounds					
Other Expenses	434.00	3,124.00	3,558.00	2,097.25	1,460.75
Community Services Act					
Other Expenses		31,920.42	31,920.42	19,587.87	12,332.55
Board of Health					
Salaries and Wages		849.88	849.88		849.88
Other Expenses		894.68	894.68		894.68
<u>PARK AND RECREATION FUNCTIONS</u>					
Recreation Services					
Other Expenses		7,910.44	7,910.44		7,910.44
Maintenance of Parks					
Other Expenses		388.83	388.83	216.00	172.83
Celebration of Public Events					
Other Expenses		50.95	50.95		50.95
<u>State Uniform Construction Code Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		11,975.55	11,975.55		11,975.55
Other Expenses		7,643.90	7,643.90	434.00	7,209.90
Construction Sub-Code Officials					
Fire					
Salaries and Wages		1,063.89	1,063.89		1,063.89
Plumbing					
Salaries and Wages		1,152.37	1,152.37		1,152.37
Electrical					
Salaries and Wages		394.29	394.29		394.29
Other Code Enforcement					
Salaries and Wages		17,609.93	2,609.93		2,609.93
Other Expenses		2,470.57	17,470.57	14,800.00	2,670.57
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Utilities:					
Electricity		9,224.59	9,224.59	2,241.71	6,982.88
Street Lighting		679.57	679.57		679.57
Telephone and Telegraph	91.28	2,163.35	2,254.63	598.02	1,656.61
Water	220.41	647.71	868.12	220.41	647.71
Fuel Oil		3,580.13	3,580.13		3,580.13
Telecommunications	119.45	1,948.48	2,067.93	238.90	1,829.03
Gasoline		12,161.11	12,161.11		12,161.11
Trash Disposal		21,342.29	21,342.29	12,027.51	9,314.78
Storm Water Sewers					
Other Expenses		17,240.00	17,240.00		17,240.00
Environmental Commission					
Other Expenses		2,279.58	2,279.58		2,279.58
Aid to Providence House					
Other Expenses		1,290.00	1,290.00	70.00	1,220.00
Senior Citizen Advisory Committee					
Other Expenses		202.50	202.50		202.50

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-8

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (CONTINUED)**

Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>					
<u>Unclassified:</u>					
Contingent		10,000.00	10,000.00	-	10,000.00
<u>Unclassified (Cont'd):</u>					
Statutory Expenditures:					
Public Employees' Retirement System					-
Social Security System (O.A.S.I.)		14,012.07	14,012.07	-	14,012.07
Police and Firemen's Retirement System of N.J.				-	-
Defined Contribution Retirement Program		1,618.68	1,618.68	4.32	1,614.36
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Community Services Act					
Other Expenses					-
Affordable Housing					
Other Expenses	12,135.38	7,930.82	20,066.20	19,412.13	654.07
SFSP Fire District Payment					
Recycling Tax		1,389.22	1,389.22	446.88	942.34
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Acquisition of Four Wheel Drive Police Vehicles		941.81	941.81		941.81
Body Camera Equipment					
Street Drainage Improvements		98,191.98	98,191.98		98,191.98
	<u>\$ 43,549.56</u>	<u>\$ 781,440.24</u>	<u>\$ 824,989.80</u>	<u>\$ 162,981.78</u>	<u>\$ 662,008.02</u>
Refunds				<u>\$ 162,981.78</u>	
Difference				<u>\$ 162,981.78</u>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-9

**CURRENT FUND
SCHEDULE OF PREPAID TAXES**

Year Ended December 31, 2018

Balance Dec. 31, 2017 (2018 Taxes)	\$	266,171.77
Increased by:		
Receipts - Collector 2019 Taxes		<u>121,594.67</u>
		387,766.44
Decreased by:		
Applied to 2018 Taxes Receivable		<u>266,171.77</u>
Balance Dec. 31, 2018 (2019 Taxes)	\$	<u><u>121,594.67</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-10

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	6,041.96
Increased by:		
Receipts - Collector		<u>73,376.15</u>
		79,418.11
Decreased by:		
Refunds - Chief Financial Officer	\$	72,108.49
Application to Taxes Receivable		<u>3,035.73</u>
		<u>75,144.22</u>
Balance Dec. 31, 2018	\$	<u><u>4,273.89</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-11

**CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
UNIFORM CONSTRUCTION CODE
STATE TRAINING FEES**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	2,251.00
Increased by:		
Receipts		<u>9,898.00</u>
		12,149.00
Decreased by:		
Payments		<u>10,271.00</u>
Balance Dec. 31, 2018	\$	<u><u>1,878.00</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-12

**CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY –
MARRIAGE LICENSE FEES**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	250.00
Increased by:		
Receipts		<u>1,025.00</u>
		1,275.00
Decreased by:		
Payments		<u>1,075.00</u>
Balance Dec. 31, 2018	\$	<u><u>200.00</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-13

**CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE**

Year Ended December 31, 2018

Ley:			
County Tax	\$	1,796,888.23	
Open Space Tax		129,875.64	
Library		<u>158,396.78</u>	
			\$ 2,085,160.65
Decreased by:			
Payments			<u>\$ 2,085,160.65</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-14

**CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE**

Year Ended December 31, 2018

Increased by:			
Ley:			
Municipal Open Space Tax	\$	<u>59,140.00</u>	
Balance Dec. 31, 2018			<u>\$ 59,140.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-15

**CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE**

Year Ended December 31, 2018

Lewy	<u>\$ 414,120.00</u>
Decreased by:	
Payments	<u>\$ 414,120.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-16

**CURRENT FUND
SCHEDULE OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES**

Year Ended December 31, 2018

Balance Dec. 31, 2017	<u>\$ 17,399.20</u>
Decreased by:	
Payments	<u>\$ 17,399.20</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-17

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Year Ended December 31, 2018

Increased by:	
Lewy - Calendar Year January 1, 2018 to December 31, 2018	<u>\$ 10,203,082.00</u>
Decreased by:	
Payments	<u>\$ 10,203,082.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-18

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES – ASSESSED VALUATION**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 3,028,800.00
Decreased by:	
Transferred to Fixed Assets	<u>3,028,800.00</u>
Balance Dec. 31, 2018	<u><u>\$ -</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-19

**CURRENT FUND
SCHEDULE OF CURRENT FUND RESERVES**

Year Ended December 31, 2018

<u>Reserve</u>	<u>Balance Dec. 31, 2017</u>	<u>Current Year Authorization</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2018</u>
Reserve for Codification of Ordinances	\$ 16,400.00				\$ 16,400.00
Reserve for Sale of Municipal Assets	963,769.50				963,769.50
Reserve for Reassessment of Real Property		\$ 125,000.00			125,000.00
Reserve for Fence Repairs			\$ 2,495.00	\$ 2,495.00	
	<u>\$ 980,169.50</u>	<u>\$ 125,000.00</u>	<u>\$ 2,495.00</u>	<u>\$ 2,495.00</u>	<u>\$ 1,105,169.50</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-20

**CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
N.J.S.40A:4-53 - SPECIAL EMERGENCIES**

Year Ended December 31, 2018

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>One-fifth of Net Amount Authorized</u>	<u>Balance Dec. 31, 2017</u>	<u>Current Year Authorization</u>	<u>Raised in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
03-27-2018	Reassessment of Real Property	\$ 125,000.00	\$ 25,000.00	\$ -	\$ 125,000.00	\$ 25,000.00	\$ 100,000.00

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-21

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
State:				
Alcohol Education and Rehabilitation Fund		\$ 585.86	\$ 585.86	
Clean Communities Grant		16,922.80	16,922.80	
Total State Grants	-	17,508.66	17,508.66	-
Local Grants:				
County Recycling Grant	\$ 10,444.83			\$ 10,444.83
Burlington County Municipal Park	75,000.00		75,000.00	
County Park Development Grant		200,000.00		200,000.00
Total Local Grants	85,444.83	200,000.00	75,000.00	210,444.83
Total All Grants	\$ 85,444.83	\$ 217,508.66	\$ 92,508.66	\$ 210,444.83

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-22

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS – UNAPPROPRIATED**

Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Grants Receivable</u>	<u>Realized as Revenue 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
State:				
Alcohol Education and Rehabilitation Fund		\$ 585.86		\$ 585.86
Clean Communities Grant	\$ 17,683.45	16,922.80	\$ 17,683.45	16,922.80
Green Communities Grant	3,000.00		3,000.00	
Recycling Tonnage Grant	45,482.76		45,482.76	
Body Armor Replacement Fund	1,624.83		1,624.83	
Total State Grants	67,791.04	17,508.66	67,791.04	17,508.66
Local Grants:				
County Park Development Grant	-	200,000.00	200,000.00	-
Total All Grants	\$ 67,791.04	\$ 217,508.66	\$ 267,791.04	\$ 17,508.66

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SA-23

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS – APPROPRIATED**

Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Transferred from 2018 Budget Appropriation</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Bulletproof Vest Partnership Program	\$ 954.54		\$ 880.00	\$ 74.54
New Jersey Department of Transportation	5,207.98			5,207.98
Storm Water Regulation	7,936.00			7,936.00
Total Federal Grants	14,098.52	-	880.00	13,218.52
State Grants:				
Clean Communities Grant		\$ 17,683.45	15,318.25	2,365.20
Drunk Driving Enforcement Grant	3,058.00			3,058.00
Alcohol Education and Rehabilitation	7,289.00			7,289.00
Green Communities Grant	3,000.00	3,000.00		6,000.00
Green Acres Tree Management Plan	1,292.50			1,292.50
Recycling Tonnage Grant	51,785.40	45,482.76	25,163.43	72,104.73
Domestic Violence Training Program	4,990.00			4,990.00
School Safety Program/Child Identification	500.00			500.00
Body Armor Replacement	4,529.46	1,624.83	2,640.00	3,514.29
Total State Grants	76,444.36	67,791.04	43,121.68	101,113.72
Local Grants:				
County Park Development Grant	-	200,000.00	-	200,000.00
Total All Grants	\$ 90,542.88	\$ 267,791.04	\$ 44,001.68	\$ 314,332.24

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-1

**TRUST FUNDS
SCHEDULE OF CASH – CHIEF FINANCIAL OFFICER**

Year Ended December 31, 2018

	<u>Animal Control Trust Fund</u>	<u>Open Space Trust Fund</u>	<u>Other Funds</u>
Balance Dec. 31, 2017	\$ 5,555.41	\$ 143,849.44	\$ 503,962.07
Increased by Receipts:			
Dog License Fees	\$ 6,560.00		
Due State of New Jersey	909.00		
2018 Budget Appropriation	8,500.00		
Due Current Fund			\$ 24,716.97
Reserve for Special Law Enforcement			6,926.16
Reserve for Public Defender			16,081.50
Reserve for Escrow Deposits			113,097.98
Reserve for Street Opening			2,000.00
Reserve for Parking Offenses Adjudication Act			76.00
Reserve for Police Outside Services			19,708.10
Reserve for Flexible Spending			3,300.00
Reserve for Development Fee			39.03
Reserve for Accumulated Absences			17,998.56
Reserve for Storm Recovery			10,000.00
Due State of New Jersey Division of Pensions			82,448.45
Payroll Deductions Payable			1,116,742.06
Net Payroll			1,696,788.33
Contra			324,112.82
	<u>15,969.00</u>	<u>-</u>	<u>3,434,035.96</u>
	21,524.41	143,849.44	3,937,998.03
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	12,316.05		
Due State of New Jersey	910.20		
2018 Budget Appropriations		36,480.70	
Due Current Fund			104.50
Due State of New Jersey Division of Pensions			
Due Federal and State Grant Fund			
Reserve for Encumbrances			
Reserve for Special Law Enforcement			839.00
Reserve for Affordable Housing			
Reserve for Very Low Income Affordable Housing			
Reserve for Public Defender			12,125.00
Reserve for Escrow Deposits			87,168.29
Reserve for Street Opening			3,500.00
Reserve for Recreation			
Reserve for Police Outside Services			17,972.50
Reserve for Flexible Spending			1,293.44
Payroll Deductions Payable			1,091,415.08
Net Payroll			1,702,479.37
Contra			324,112.82
	<u>13,226.25</u>	<u>36,480.70</u>	<u>3,241,010.00</u>
Balance Dec. 31, 2018	<u>\$ 8,298.16</u>	<u>\$ 107,368.74</u>	<u>\$ 696,988.03</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-2

**TRUST FUNDS
SCHEDULE OF TRUST CASH – COLLECTOR
PER N.J.S.40A:5-5**

Year Ended December 31, 2018

	<u>Other Funds</u>
Balance Dec. 31, 2017	\$ 260,892.15
Increased by Receipts:	
Reserve for Tax Title Lien Redemptions	\$ 172,831.13
Reserve for Premiums Received at Tax Sale	115,700.00
Due Current Fund	<u>3.57</u>
	<u>288,534.70</u>
	549,426.85
Decreased by Disbursements:	
Reserve for Tax Title Lien Redemptions	197,299.80
Reserve for Premiums Received at Tax Sale	<u>150,400.00</u>
	<u>347,699.80</u>
Balance Dec. 31, 2018	<u><u>\$ 201,727.05</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-3

**TRUST FUNDS
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	5,554.21
Increased by:			
Receipts:			
License Fees Collected by Clerk	\$	6,560.00	
2018 Budget Appropriation		<u>8,500.00</u>	
			<u>15,060.00</u>
			20,614.21
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Disbursements			<u>12,316.05</u>
Balance Dec. 31, 2018		\$	<u>8,298.16</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-4

TRUST FUNDS
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	1.20
Increased by:		
Registration Fees Collected by Clerk		<u>909.00</u>
		<u>910.20</u>
Decreased by:		
Payments	\$	<u><u>910.20</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-5

**TRUST FUNDS
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 102,743.66
Increased by:		
Receipts:		
Collector:		
Settlement -- Current Fund MRNA	\$ 3.57	
Treasurer:		
Restitution Received -- Current Fund MRNA	475.00	
Interfund Loans Returned	<u>24,241.97</u>	
		<u>24,720.54</u>
		127,464.20
Decreased by:		
Disbursements:		
Disbursed on Behalf of Current Fund	104.50	
Interest Earned Due Trust Other Funds	619.26	
Current Fund Budget Appropriations	<u>8,728.24</u>	
		<u>9,452.00</u>
Balance Dec. 31, 2018		<u><u>\$ 118,012.20</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SB-6

**TRUST FUNDS
SCHEDULE OF DUE TO CURRENT FUND – OTHER TRUSTS**

Year Ended December 31, 2018

<u>Reserve</u>	Balance <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Encumbrances</u>	Balance <u>Dec. 31, 2018</u>
Reserve for Special Law Enforcement	\$ 2,260.02	\$ 6,926.16	\$ 839.00		\$ 8,347.18
Reserve for Public Defender	8,833.50	16,081.50	12,125.00		12,790.00
Reserve for Escrow Deposits	307,658.93	113,717.24	87,168.29	\$ (5,478.30)	328,729.58
Reserve for Street Opening	6,120.00	2,000.00	3,500.00		4,620.00
Reserve for Recreation Contributions	8,230.13				8,230.13
Reserve for Parking Offenses Adjudication Act	755.00	76.00			831.00
Reserve for Bicycle Patrol Fund	1,995.00				1,995.00
Reserve for Trees Fund (Branches of Love)	567.00				567.00
Reserve for Police Outside Services	8,135.42	19,708.10	17,972.50		9,871.02
Reserve for Train Station	795.00				795.00
Reserve for Flexible Spending	588.86	3,300.00	1,293.44		2,595.42
Reserve for Development Fee	4,968.41	39.03			5,007.44
Reserve for Accumulated Absences	81,956.69	17,998.56			99,955.25
Reserve for Storm Recovery	30,000.00	10,000.00			40,000.00
Payroll Deductions Payable	20,802.90	1,119,779.26	1,091,415.08		49,167.08
Net Payroll		1,702,479.37	1,702,479.37		-
Reserve for Tax Title Lien Redemptions	28,992.15	172,831.13	197,299.80		4,523.48
Reserve for Premiums Received at Tax Sale	231,900.00	115,700.00	150,400.00	(800.00)	196,400.00
Reserve for Encumbrances				6,278.30	6,278.30
	<u>\$ 744,559.01</u>	<u>\$ 3,300,636.35</u>	<u>\$ 3,264,492.48</u>	<u>\$ -</u>	<u>\$ 780,702.88</u>
Chief Financial Officer		\$ 3,002,757.72	\$ 2,916,792.68		
Collector		288,531.13	347,699.80		
Due Current Fund		<u>9,347.50</u>			
		<u>\$ 3,300,636.35</u>	<u>\$ 3,264,492.48</u>		

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-1

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
PER N.J.S.40A:5-5**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,052,934.01
Increased by Receipts:		
Budget Appropriation - Capital Improvement Fund	\$ 100,000.00	
Budget Appropriation - Deferred Charges to Future Taxation Unfunded	270,000.00	
Account Receivable - NJDOT Ord. 2015-07	45,720.00	
Reserve to Pay Debt - CDBG	78,000.00	
Improvement Authorizations	<u>3,158.40</u>	
		<u>496,878.40</u>
		1,549,812.41
Decreased by Disbursements:		
Improvement Authorizations	648,491.98	
Reserve for Encumbrances	11,234.25	
Contracts Payable	<u>336,824.62</u>	
		<u>996,550.85</u>
Balance Dec. 31, 2018		<u><u>\$ 553,261.56</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-2

**GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH**

Year Ended December 31, 2018

	Balance	Receipts		Disbursements		Transfers		Balance
	(Deficit)	Budget		Improvement				(Deficit)
	<u>Dec. 31, 2017</u>	<u>Appropriation</u>	<u>Miscellaneous</u>	<u>Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2018</u>
Reserve for Capital Improvement Fund	\$ 251,428.16	\$ 100,000.00				\$ 55,000.00		\$ 296,428.16
Fund Balance	349,962.14							349,962.14
Account Receivable - NJDOT Ord. 2015-07	(45,720.00)		\$ 45,720.00			250,000.00		(250,000.00)
Improvement Authorizations:								
2012-07 Weiman Field Improvements			3,158.40	\$ 1,640.63			\$ 10,499.52	12,017.29
2013-08 Roadway Improvements to Cardinal Road and Adams Ave.	103,507.86	270,000.00		128,246.62		80,793.38		164,467.86
2014-05 Various Improvements or Purposes	(311,608.62)							(311,608.62)
2015-06 Various Road & Drainage Improvements	410,276.77			79,865.90		50,162.13		280,248.74
2015-07 Various Roadway and Municipal Improvements	108,747.25							108,747.25
2016-08 Acquisition of Vehicles for Public Works Department	(164,579.00)							(164,579.00)
2016-09 Various Road & Drainage Improvements	(286,250.00)			215,724.74		663,011.87		(1,164,986.61)
2018-04 Various Improvements or Purposes				223,014.09		251,514.26	305,000.00	(169,528.35)
Reserve for Payment of Debt	270,037.57		78,000.00					348,037.57
Reserve for Encumbrances	18,723.00				\$ 11,234.25	1.25	198,375.77	205,863.27
Contracts Payable	348,408.88				336,824.62	10,498.27	847,105.87	848,191.86
	<u>\$ 1,052,934.01</u>	<u>\$ 370,000.00</u>	<u>\$ 126,878.40</u>	<u>\$ 648,491.98</u>	<u>\$ 348,058.87</u>	<u>\$ 1,360,981.16</u>	<u>\$ 1,360,981.16</u>	<u>\$ 553,261.56</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-3

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION – FUNDED**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 3,785,000.00
Decreased by:	
2018 Budget Appropriation:	
Serial Bonds	<u>360,000.00</u>
Balance Dec. 31, 2018	<u>\$ 3,425,000.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-4

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2017	2018 Authorizations	Budget Appropriation	Analysis of Balance Dec. 31, 2018		
						Balance Dec. 31, 2018	Expenditures	Unexpended Improvement Authorizations
2013-08	Roadway Improvements to Cardinal Road and Adams Ave.	10/01/13	\$ 270,000.00		\$ 270,000.00			
2014-05	Various Improvements or Purposes	06/03/14	411,250.00			\$ 411,250.00	\$ 311,608.62	\$ 99,641.38
2015-06	Various Road & Drainage Improvements	10/20/15	130,200.00			130,200.00		130,200.00
2015-07	Various Roadway and Municipal Improvements	11/10/15	568,000.00			568,000.00	90,002.75	477,997.25
2016-08	Acquisition of Vehicles for Public Works Department	10/04/16	190,000.00			190,000.00	164,579.00	25,421.00
2016-09	Various Road & Drainage Improvements	12/06/16	1,425,000.00			1,425,000.00	1,164,986.61	260,013.39
2018-04	Various Improvements or Purposes	06/19/18		\$ 1,065,000.00		1,065,000.00	345,328.35	719,671.65
			<u>\$ 2,994,450.00</u>	<u>\$ 1,065,000.00</u>	<u>\$ 270,000.00</u>	<u>\$ 3,789,450.00</u>	<u>\$ 2,076,505.33</u>	<u>\$ 1,712,944.67</u>
Improvement Authorizations Unfunded								<u>\$ 1,712,944.67</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-5

**GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 348,408.88
Increased by:		
Contracts Awarded and Charged to Improvement Authorizations		<u>847,105.87</u>
		1,195,514.75
Decreased by:		
Disbursements	\$ 336,824.62	
Canceled	<u>10,498.27</u>	
		<u>347,322.89</u>
Balance Dec. 31, 2018		<u>\$ 848,191.86</u>

Schedule of Contracts Payable Dec. 31, 2018

<u>Vendor:</u>	<u>Ordinance Number</u>	<u>Amount</u>
All Surface Asphalt Paving	2012-07	\$ 1,085.99
All Systems Go	2013-08	11,995.00
MAK Group LLC	2013-08	36,046.60
RTW Construction	2013-08	13,590.00
Thor Construction	2013-08	15,400.00
Booth Mechanical	2016-09	3,536.01
National Water Main Cleaning	2016-09	610,714.00
Storr Tractor Company	2018-04	44,190.00
H.A. DeHart & Son	2018-04	<u>111,634.26</u>
		<u>\$ 848,191.86</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-6

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 270,037.57
Increased by:	
Receipts - CDBG	<u>78,000.00</u>
Balance Dec. 31, 2018	<u>\$ 348,037.57</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-7

**GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE**

Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 45,720.00
Increased by:	
Award - New Jersey Department of Transportation Ord. 2018-04	<u>250,000.00</u>
	295,720.00
Decreased by:	
Receipts	<u>45,720.00</u>
Balance Dec. 31, 2018	<u><u>\$ 250,000.00</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-8

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Contracts Payable Canceled	Refunds/ Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded					Funded	Unfunded
2012-07	Weiman Field Improvements	9/18/2012	\$ 400,000.00								
2013-08a	Various Capital Improvements to Facilities	10/01/13	540,000.00	\$ 128,832.86	\$ 232,394.00		\$ 10,498.27	\$ 3,159.65	\$ 1,640.63	\$ 12,017.29	
2013-08c	Acquisition of Equipment for Public Works Department	10/01/13	57,000.00		12,281.00				200,510.00	160,716.86	
2014-05a	Various Capital Improvements to Facilities	06/03/14	180,000.00		12,299.85				8,530.00	3,751.00	
2014-05c	Improvements to Weimann Sports Complex	06/03/14	245,000.00		87,341.53						12,299.85
2015-06	Various Road & Drainage Improvements	10/20/15	983,663.61	609,026.77	130,200.00				130,028.03	478,998.74	130,200.00
2015-07a	Various Capital Improvements to Facilities	11/10/15	545,000.00		477,997.25						477,997.25
2016-08	Acquisition of Vehicles for Public Works Department	10/04/16	200,000.00		25,421.00						25,421.00
2016-09	Various Road & Drainage Improvements	12/06/16	1,500,000.00		1,138,750.00				878,736.61		260,013.39
2018-04a	Various Improvements or Purposes	06/19/18	520,000.00			\$ 520,000.00			370,328.35		149,671.65
2018-04b	Various Improvements or Purposes	06/19/18	850,000.00			850,000.00			104,200.00	175,800.00	570,000.00
				\$ 737,859.63	\$ 2,116,684.63	\$ 1,370,000.00	\$ 10,498.27	\$ 3,159.65	\$ 1,693,973.62	\$ 831,283.89	\$ 1,712,944.67
Capital Improvement Fund						\$ 55,000.00					
Deferred Charges to Future Taxation - Unfunded						1,065,000.00					
Accounts Receivable - NJDOT						250,000.00					
						\$ 1,370,000.00					
Disbursed									\$ 648,491.98		
Reserve for Encumbrances									198,375.77		
Contracts Payable									847,105.87		
									\$ 1,693,973.62		

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-9

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	18,723.00
Increased by:			
Charges to Improvement Authorizations			<u>198,375.77</u>
			217,098.77
Decreased by:			
Disbursements	\$	11,234.25	
Canceled		<u>1.25</u>	
			<u>11,235.50</u>
Balance Dec. 31, 2018		\$	<u><u>205,863.27</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-10

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	251,428.16
Increased by:			
2018 Budget Appropriation			<u>100,000.00</u>
			351,428.16
Decreased by:			
Appropriation to Finance			
Improvement Authorizations			<u>55,000.00</u>
Balance Dec. 31, 2018		\$	<u><u>296,428.16</u></u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-11

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Burlington County Bridge Commission Revenue Bonds, Series 2013A (Refunding of 2003 General Bonds)	02/28/2013	\$ 1,780,000.00	11/01/19	\$ 175,000.00	5.000%			
			11/01/20	185,000.00	5.000%			
			11/01/21	195,000.00	5.000%			
			11/01/22	205,000.00	5.000%			
			11/01/23	210,000.00	5.000%	\$ 1,140,000.00	\$ 170,000.00	\$ 970,000.00
Burlington County Bridge Commission County-Guaranteed Pooled Loan Revenue Bonds, (Governmental Loan Program), Series 2014A-2	01/02/2014	3,350,000.00	11/01/19	195,000.00	5.000%			
			11/01/20	205,000.00	5.000%			
			11/01/21	215,000.00	5.000%			
			11/01/22	230,000.00	5.000%			
			11/01/23	240,000.00	5.000%			
			11/01/24	250,000.00	5.000%			
			11/01/25	265,000.00	3.375%			
			11/01/26	275,000.00	3.500%			
			11/01/27	285,000.00	5.000%			
			11/01/28	295,000.00	5.000%	2,645,000.00	190,000.00	2,455,000.00
						<u>\$ 3,785,000.00</u>	<u>\$ 360,000.00</u>	<u>\$ 3,425,000.00</u>

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SC-12

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>Funded by Budget Appropriation</u>	<u>2018 Authorizations</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:						
2013-08	Roadway Improvements to Cardinal Road and Adams Ave.	10/01/13	\$ 270,000.00	\$ 270,000.00		
2014-05	Various Improvements or Purposes	06/03/14	411,250.00			\$ 411,250.00
2015-06	Various Road & Drainage Improvements	10/20/15	130,200.00			130,200.00
2015-07	Various Roadway and Municipal Improvements	11/10/15	568,000.00			568,000.00
2016-08	Acquisition of Vehicles for Public Works Department	10/04/16	190,000.00			190,000.00
2016-09	Various Road & Drainage Improvements	12/06/16	1,425,000.00			1,425,000.00
2018-04	Various Improvements or Purposes	06/19/18			\$ 1,065,000.00	1,065,000.00
			<u>\$ 2,994,450.00</u>	<u>\$ 270,000.00</u>	<u>\$ 1,065,000.00</u>	<u>\$ 3,789,450.00</u>

INDEPENDENT AUDITORS' 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

To the Honorable Mayor and Members
of the Township Council
Township of Edgewater Park
County of Burlington
Edgewater Park, New Jersey 08010

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Edgewater Park (the "Township"), as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 26, 2019, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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.

INDEPENDENT AUDITORS' 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 (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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*.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554**

**MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

August 26, 2019

SUPPLEMENTARY INFORMATION

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

Year Ended December 31, 2018

**Summary of Municipal Debt
(Excluding Current Debt)**

	2018	2017	2016
Issued -			
General - Bonds and Notes	\$ 3,425,000.00	\$ 3,785,000.00	\$ 4,761,250.00
Deductions - Funds Temporarily Held to Pay Notes: General	348,037.57	270,037.57	270,037.57
Net Debt Issued	<u>3,076,962.43</u>	<u>3,514,962.43</u>	<u>4,491,212.43</u>
Authorized But Not Issued: General - Bonds & Notes	<u>3,789,450.00</u>	<u>2,994,450.00</u>	<u>2,583,200.00</u>
Net Debt	<u>\$ 6,866,412.43</u>	<u>\$ 6,509,412.43</u>	<u>\$ 7,074,412.43</u>

**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 1.296%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District	\$14,905,000.00	14,905,000.00	-
General Debt	7,214,450.00	348,037.57	6,866,412.43
Total	<u>\$22,119,450.00</u>	<u>15,253,037.57</u>	<u>6,866,412.43</u>

Net debt, \$6,866,412.43, divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$531,494,031.00 equals 1.292%.

Equalized Valuation Basis:

2018	\$529,767,556.00
2017	522,522,530.00
2016	<u>542,192,007.00</u>
Average	<u>\$531,494,031.00</u>

Borrowing Power Under 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$18,602,291.09
Net Debt	<u>6,866,412.43</u>
Remaining Borrowing Power	<u>\$11,735,878.66</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

Year Ended December 31, 2018

**Comparison of Tax Levies
and Collection Currently**

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2018	\$17,796,208.46	17,299,200.34	97.21%
2017	17,595,939.07	17,101,444.72	97.19%
2016	16,615,214.60	16,230,090.17	97.68%
2015	16,223,892.23	15,802,499.17	97.40%
2014	15,487,796.71	15,134,397.15	97.72%

Comparison of Tax Rate Information

	2018	2017	2016
Total Tax Rate	<u>\$3.009</u>	<u>\$2.952</u>	<u>\$2.787</u>
Apportionment of Tax Rate:			
Municipal	0.849	0.811	0.769
County	0.353	0.372	0.365
Local School	1.726	1.691	1.576
Fire District Tax	0.071	0.069	0.067
Open Space Tax	0.010	0.009	0.010

Net Valuation Taxable:

2018	<u>\$591,432,600.00</u>		
2017		<u>\$591,391,100.00</u>	
2016			<u>\$595,543,800.00</u>

Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2018	\$154,835.15	321,268.14	476,103.29	2.68%
2017	\$125,438.26	358,852.41	484,290.67	2.75%
2016	\$102,679.42	293,921.86	396,601.28	2.39%

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

Year Ended December 31, 2018

**Comparative Statement of Operations and
Change in Fund Balance - Current Fund**

	YEAR 2018		YEAR 2017	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$1,275,000.00	6.01%	\$1,125,000.00	4.02%
Miscellaneous - From Other Than Local Property Tax Levies	2,269,162.05	10.70%	2,721,967.45	9.82%
Collection of Delinquent Taxes and Tax Title Liens	358,087.64	1.69%	296,355.65	1.74%
Collection of Current Tax Levy	17,299,200.34	81.59%	17,101,444.72	84.42%
Total Income	<u>21,201,450.03</u>	<u>100.00%</u>	<u>21,244,767.82</u>	<u>100.00%</u>
Expenditures				
Budget Expenditures - Municipal Purposes	7,349,128.87	36.51%	6,658,909.76	33.57%
County Taxes	2,085,160.65	10.36%	2,207,229.30	15.09%
Local and Regional School Taxes	10,203,082.00	50.69%	9,998,933.00	49.09%
Fire District Taxes	414,120.00	2.06%	406,000.00	1.93%
Other Expenditures	78,065.52	0.39%	70,908.55	0.32%
Total Expenditures	<u>20,129,557.04</u>	<u>100.00%</u>	<u>19,341,980.61</u>	<u>100.00%</u>
Excess in Revenue to Fund Balance	<u>1,071,892.99</u>		<u>1,902,787.21</u>	
Adjustments to Income Before Fund Balance: Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>125,000.00</u>			
Statutory Excess to Fund Balance	1,196,892.99		1,902,787.21	
Fund Balance January 1,	<u>2,879,951.29</u>		<u>2,102,164.08</u>	
	4,076,844.28		4,004,951.29	
Less: Utilization as Anticipated Revenue	<u>1,275,000.00</u>		<u>1,125,000.00</u>	
Fund Balance December 31,	<u>\$2,801,844.28</u>		<u>\$2,879,951.29</u>	

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

OFFICIALS IN OFFICE AND SURETY BONDS

December 31, 2018

NAME	TITLE	AMOUNT OF SURETY
Bill Belgard	Mayor	B
Charles Amutah	Deputy Mayor	B
Michael Trainor	Committeeman	B
Lauren DiFilippo	Committeewoman	B
Kevin Johnson	Committeeman	B
Tom Pullion	Township Administrator	B
Kimberly Kwasizur	Certified Municipal Finance Officer	B
Tanyika Johns	Tax Collector	A
Krisden McCrink	Municipal Court Judge	B
Ann DiMarco	Court Administrator (Retired January 31, 2018)	B
Adelene Khan	Court Administrator (Effective February 1, 2018 through September 4, 2018)	B
Catherine Iezzi	Court Administrator (Effective September 5, 2018)	B
James Duda	Tax Assessor (Retired May 22, 2018)	B
Justin Vining	Tax Assessor (Effective May 23, 2018)	B
Salvatore Siciliano	Solicitor	
Environmental Resolutions, Inc.	Engineer	

(A) RLI Insurance Company - \$125,000 coverage

(B) Municipal Excess Liability Joint Insurance Fund - \$1,000,000 blanket bond

To the Honorable Mayor and
Members of the Township Committee
Township of Edgewater Park
Edgewater Park, New Jersey 08010

We have audited the financial statements and transactions of the Township of Edgewater Park in the County of Burlington for the year ended December 31, 2018. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S.A.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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "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 provision of N.J.S.A.40A:11-6.1.

Collection of Interest on Delinquent Taxes

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

The governing body on January 6, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Committee of the Township of Edgewater Park, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2018, included 2017, 2014 and 2006 real estate taxes only.

The last tax sale was held on September 5, 2018, and was complete.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.


As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,



Warren A. Broudy, Certified Public Accountant
Registered Municipal Accountant No. CR554

August 26, 2019

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
Year Ended December 31, 2018

None reported.

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended December 31, 2018**

Finding 2017-001

Criteria:

All disbursements should be supported with a voucher in order to be in compliance with the Township's internal control purchasing procedures.

Status:

This condition has been resolved.

Finding 2017-002

Criteria:

Any employee that participates in the Township's State medical health benefit coverage pay the applicable premiums for such coverage.

Status:

This condition has been resolved.