

**TOWNSHIP OF EDGEWATER PARK  
FIRE DISTRICT NO. 1**

**Financial Statements**

**For the Year Ended December 31, 2021**

(With Independent Auditor's Report thereon)



**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Financial Statements**  
**For the year ended December 31, 2021**  
(With Independent Auditor's report thereon)

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**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**

**ROSTER OF OFFICIALS  
DECEMBER 31, 2021**

BOARD OF COMMISSIONERS

Jill Reuter	Chairwoman
Phil Aaronson	Secretary
Shawn Bolton	Treasurer
Paula Teixeira	Commissioner
Anthony Rizzo	Commissioner

OTHER OFFICIALS

Robert Simcox	Fire Clerk
Matthew Augustino	Fire Official

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners  
Fire District No. 1 of the Township of Edgewater Park  
County of Burlington  
Edgewater Park, New Jersey

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities of each major fund and the aggregate remaining fund information of the Fire District No. 1 of the Township of Edgewater Park, County of Burlington, State of New Jersey, herein referred to as the District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of each major fund and the aggregate remaining fund information of the Fire District No. 1 of the Township of Edgewater, County of Burlington, State of New Jersey, herein referred to as the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

##### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of December 31, 2021 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 7 to the financial statements. Our opinion is not modified with respect to this matter.

618 Stokes Road, Medford, NJ 08055

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### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide



***Required Supplementary Information (Continued)***

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2022, on our consideration of the District'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 the District's 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 District's internal control over financial reporting and compliance.

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

Medford, New Jersey  
August 5, 2022

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Fire Commissioners  
Township of Edgewater Park Fire District No.1  
County of Burlington  
Edgewater Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Edgewater Park Fire District No.1, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Township of Edgewater Park Fire District No.1's basic financial statements, and have issued our report thereon dated August 5, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Township of Edgewater Park Fire District No.1's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Township of Edgewater Park Fire District No.1's internal control. Accordingly, we do not express an opinion on the effectiveness of Township of Edgewater Park Fire District No.1'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Township of Edgewater Park Fire District No.1'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 financial statements. 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* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs State of New Jersey.

## **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

Medford, New Jersey  
August 5, 2022

# TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

## MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the Township of Edgewater Park Fire District No. 1 (The “District”) annual financial report presents a discussion and analysis of the Fire District’s financial performance during the fiscal year that ended on December 31, 2021. The District services the entire area of the Township of Edgewater Park in Burlington County, New Jersey. The District has a contractual relationship with Beverly Fire District No. 1 to provide fire protection for the Township of Edgewater Park. The District has no fire apparatus and no debt outstanding. Please read this in conjunction with the District’s financial statements, which immediately follow this section.

### Financial Highlights

Total assets were \$377,076 and total liabilities were \$15,260 resulting in net position of \$361,816 at December 31, 2021.

The Fire district’s unrestricted net position was \$332,059 for the year ended December 31, 2021.

Operating revenue was \$480,568 for the year ended December 31, 2021.

Operating expenses were \$435,014 for the year ended December 31, 2021. The single largest expense was the Beverly City Fire District interlocal services contract amounting to \$292,740. The interlocal services agreement with the Beverly City Fire District to provide fire protection services obligates Edgewater Park Fire District to payments in 2022 amounting to \$305,200.

### Overview of Annual Financial Report

Management’s Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management’s examination and analysis of the Fire district’s financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Fire district’s capital plan, budget, and other management tools were used for this analysis.

The financial statements report information about the District using the accrual basis of accounting, and, for the governmental funds, using the modified accrual basis of accounting. The combined financial statement, Governmental Funds Balance Sheet/Statement of Net Position includes a column to report governmental funds, a conversion column and a column to report Net Position.

The combined financial statement, Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Net Position also includes columns to report governmental funds, conversion transactions and the Statement of Activity.

# TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

## MANAGEMENTS DISCUSSION AND ANALYSIS

### Overview of Annual Financial Report (Continued)

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Fire District's accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

### Financial Analysis of the Fire District

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

Net Position – Table 1 summarizes the changes in net position between December 31, 2021 and 2020:

Table 1

### Condensed Summary of Net Position

Years Ended December 31,	<u>2021</u>	<u>2020</u>	<u>Increase / (Decrease)</u>
Assets:			
Current Assets	\$ 369,036	\$ 319,602	\$ 49,434
Capital Assets (Net of Depreciation)	8,040	10,050	(2,010)
Total Assets	<u>377,076</u>	<u>329,652</u>	<u>47,424</u>
Liabilities:			
Current Liabilities	15,260	13,390	1,870
Total Liabilities	<u>15,260</u>	<u>13,390</u>	<u>1,870</u>
Net Position			
Restricted:			
Unemployment	3,217	2,947	270
Designated for subsequent year's expenditures	18,500	14,500	4,000
Net investments in capital assets	8,040	10,050	(2,010)
Unrestricted	332,059	288,765	43,294
Total Net Position	<u>\$ 361,816</u>	<u>\$ 316,262</u>	<u>\$ 45,554</u>

Net Position increased by \$45,554 compared to the prior year.

# TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

## MANAGEMENTS DISCUSSION AND ANALYSIS

### Operating Activities

Table 2 summarizes the changes in revenues, expenses and net position between fiscal years December 31, 2021 and 2020.

Table 2

### Condensed Summary of Revenues, Expenses and Changes in Net Position

Years Ended December 31,	<u>2021</u>	<u>2020</u>	<u>Increase / (Decrease)</u>
<u>Revenues</u>			
Operating Revenues:			
District Taxes	\$ 439,460	\$ 430,848	\$ 8,612
Supplemental Fire Services	3,010	3,010	-
Other	<u>38,098</u>	<u>40,851</u>	<u>(2,753)</u>
Total Revenues	<u>480,568</u>	<u>474,709</u>	<u>5,859</u>
<u>Expenses</u>			
Operating Expenses:			
Salaries & Wages	13,100	13,000	100
Other Expenses	388,575	375,931	12,644
Uniform Fire Safety Act			
Salaries & Wages	21,933	31,735	(9,802)
Other Expenses	<u>11,406</u>	<u>10,582</u>	<u>824</u>
Total Expenses	<u>435,014</u>	<u>431,248</u>	<u>3,766</u>
Change in Net Position	45,554	43,461	2,093
Total Net Position, Beginning of Year	313,315	269,854	43,461
Prior Period Adjustment	<u>2,947</u>	<u>2,947</u>	<u>-</u>
Total Net Position, Beginning of Year (Restated)	<u>316,262</u>	<u>272,801</u>	<u>43,461</u>
Total Net Position, End of Year	<u>\$ 361,816</u>	<u>\$ 316,262</u>	<u>\$ 45,554</u>

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended December 31, 2021. The adoption of this principle resulted in a restatement of the District’s opening net position as of January 1, 2021 in the amount of \$2,947, as indicated in Note 7 to the Financial Statements. Prior years’ balances reflected in the MD&A have been updated to reflect this change.

The summary of revenues, expenses, and changes in net position provides information as to the nature and source of changes in financial position.

The favorable variance of \$8,612 in District Tax Revenue accounts for the largest portion of the change in net position.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**

**MANAGEMENTS DISCUSSION AND ANALYSIS**

Capital Assets and Debt Administration

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2021 and 2020.

Table 3

Capital Assets - Net of Depreciation

Years Ended December 31,	<u>2021</u>	<u>2020</u>	<u>Increase / (Decrease)</u>
Vehicles	\$ 17,900	\$ 17,900	\$ -
Equipment	<u>24,944</u>	<u>24,944</u>	<u>-</u>
Total Capital Assets	<u>42,844</u>	<u>42,844</u>	<u>-</u>
Less: Accumulated Depreciation	<u>34,804</u>	<u>32,794</u>	<u>2,010</u>
Total Capital Assets: Net of Depreciation	<u>\$ 8,040</u>	<u>\$ 10,050</u>	<u>\$ (2,010)</u>

Debt Outstanding

The Fire District has no debt outstanding and no debt authorized.

Next Year's Budget and User Rates

The District adopted a \$508,480 operating budget for 2022, an increase of \$12,680 when compared to 2021. The Tax Levy increased \$8,790 when compared to 2021.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances and to demonstrate the Fire District's accountability for the money it receives. If you have any question about this report or need any additional information, contact the Fire District in writing, at 400 Delanco Road, Edgewater Park, New Jersey 08010 or the Fire Districts Clerk by telephone at (609) 877-2050



**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Statement of Net Position**  
**December 31, 2021**

	<b>Governmental Activities</b>
	<b><u>2021</u></b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 361,274
Prepaid expenses	7,762
Total current assets	369,036
Capital assets (net of depreciation)	8,040
Total assets	377,076
Liabilities:	
Current liabilities:	
Accounts payable	15,260
Total current liabilities	15,260
Total liabilities	15,260
Net position:	
Net investments in capital assets	8,040
Restricted:	
Unemployment	3,217
Designated for subsequent year's expenditures	18,500
Unrestricted:	
Unrestricted	332,059
Total net position	361,816
Total liabilities and net position	\$ 377,076

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Statement of Activities**  
**For the year ended December 31, 2021**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u> <u>2021</u>
Government activities:			
Operation appropriations:			
Administration	\$ 26,619	\$ -	\$ (26,619)
Costs of operations and maintenance	375,056	-	(375,056)
Operating appropriations offset with revenues	33,339	37,557	4,218
	<hr/>	<hr/>	<hr/>
Total government activities	435,014	37,557	(397,457)
	<hr/>	<hr/>	<hr/>
General revenues:			
Miscellaneous revenue			541
Operating grant revenues			3,010
Amount raised by taxation			439,460
			<hr/>
Total general revenues			443,011
			<hr/>
Excess of revenues over expenditures			45,554
Net position, January 1, unadjusted			<hr/> 313,315
Prior period adjustment			2,947
Net position, January 1 (restated)			<hr/> 316,262
			<hr/>
Net position, December 31			<u><u>\$ 361,816</u></u>

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2021**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 361,274	\$ 361,274
Prepaid expenses	7,762	7,762
Total assets	369,036	369,036
Liabilities, equity and other credits:		
Accounts payable	15,260	15,260
Total liabilities	15,260	15,260
Fund balances:		
Restricted for:		
Unemployment	3,217	3,217
Assigned for:		
For subsequent year's expenditures	18,500	18,500
Unassigned, reported in:		
General fund	332,059	332,059
Total fund balance	353,776	353,776
Total liabilities and fund balance	\$ 369,036	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$42,844 and the accumulated depreciation is \$34,804.

8,040

Net position of governmental activities

\$ 361,816

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended December 31, 2021**

	<u>General Fund</u>
Revenues:	
Miscellaneous anticipated revenue:	
Interest Income	\$ 271
Other revenue	270
	541
Operating grant revenues:	
Supplemental fire service act	3,010
	3,010
Miscellaneous revenues offset with appropriations:	
Uniform fire safety act revenues:	
Annual registration fee	18,000
Other revenues	19,557
	37,557
Total uniform fire safety act revenues	37,557
Total miscellaneous revenues offset with appropriations	37,557
Total miscellaneous revenues	41,108
Amount raised by taxation to support district budget	439,460
Total anticipated revenues	480,568

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended December 31, 2021**

	<u>General Fund</u>
Expenditures:	
Operating appropriations:	
Administration:	
Salaries and wages	13,100
Fringe benefits	1,558
Other expenditures:	
Professional fees	10,038
Elections	1,146
Operating materials and supplies	777
	26,619
Total administration	26,619
Cost of operations and maintenance:	
Other expenditures:	
Rental charges	74,881
Contracted services	292,740
Miscellaneous Expenses	5,425
	373,046
Total cost of operations and maintenance	373,046
Operating appropriations offset with revenues:	
Salaries and wages	21,933
Fringe benefits	2,609
Other expenditures	8,797
	33,339
Total operating appropriations offset with revenues	33,339
Total operating appropriations	433,004
Total governmental expenditures	433,004
Excess of revenues over expenditures	47,564
Fund balance, January 1	303,265
Prior Period Adjustment	2,947
	306,212
Fund balance, January 1 (Restated)	306,212
Fund balance, December 31	\$ 353,776

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balance in**  
**the Governmental Funds to the Statement of Activities**  
**December 31, 2021**

Total net changes in Fund Balance-Governmental Funds (B-2)	\$	47,564
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	<u>\$</u>	<u>(2,010)</u>	
			<u>(2,010)</u>

Changes in net position of governmental activities	\$	<u><u>45,554</u></u>
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The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Fire Commissioners (the “Board”) of the Township of Edgewater Park Fire District No. 1 (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

**A. Reporting**

The District is an instrumentality of the State of New Jersey, established to function as a fire fighting organization. The Board of Fire Commissioners consists of elected officials and is responsible for the fiscal control of the District. The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing District, designation of management, ability to significantly influence operations and accountability for fiscal matters. GASB Statement No. 14 *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80 and No. 90, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. The District had no component units for the year ended December 31, 2021.

**B. Basis of Presentation**

The financial statements of the Fire District conform to generally accepted accounting principles (GAAP) applicable to governmental funds of state and local governments in accordance with the provisions of N.J.A.C. 5:31-7-1. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

The basic financial statements report using the economic resources measurement focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements also report using the same focus. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The tax revenues are recognized in the year for which they are levied (see Note 1 O) while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter, within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

**C. Fund Accounting**

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate “fund types.”

Governmental Funds:

*General Fund*

The General Fund is the general operating fund of the Fire District and is used to account for the inflows and outflows of financial resources. The acquisition of certain capital assets, such as firefighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

**D. Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The government-wide financial statements (A-1 and A-2) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Township of Edgewater Park Fire District No.1's follows the pronouncements of the Governmental Accounting Standards Board (GASB).

**F. Budgets and Budgetary Accounting**

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A: 14-78.1 et al. The fire commissioners must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the fire district. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget. Amendments may be made to the Fire District budget in accordance with N.J.S.A 40A: 14-78.3.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for approval of the legal voters.

Fire Districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the Fire Districts general-purpose financial statements.

**G. Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. There were no encumbrances as of December 31, 2021.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Fire districts 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 organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments that may be purchased by fire districts.

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**I. Prepaid Expenses**

Prepaid expenses that benefit future periods are recorded as an expenditure during the year of purchase.

**J. Debt Limitation**

N.J.S.A.40A:14-84 governs procedures for the issuance of any debt related to such purchases. In summary, fire districts may purchase firefighting apparatus, equipment, land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or 2 percent of the assessed valuation of property, whichever is larger.

**K. Capital Assets**

Capital assets, which include land, building, improvements and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District has set capitalization thresholds for reporting capital assets of \$2,000.

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Building and Improvements	5 to 40 Years
Equipment	5 to 15 Years

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Inventory, Materials and Supplies**

The inventory on hand at any time is small. Accordingly, purchases are charged directly to fixed assets or to maintenance costs, as applicable.

**M. Interfund Receivable/Payable**

Interfund receivables and payables that arise from transactions between funds that are due within one year are recorded by all funds affected by such transactions in the periods in which the transaction is executed.

**N. Revenues and Expenditures**

Revenues are recorded when they are determined to be both available and measurable. Generally, fees and other non-tax revenues are recognized when qualifying expenditures are incurred.

Expenditures are recorded when the related liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due.

**O. Fire District Taxes**

Upon proper certification to the assessor of the municipality in which the Fire District is located, the assessor shall assess the amount of taxes to be realized in support of the Fire District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality shall then pay over to the treasurer or custodian of funds of the Fire District the taxes assessed in accordance with the following schedule: on or before April 1, an amount equaling 21.25% of all monies assessed, on or before July 1, an amount equaling 22.5% of all monies assessed, on or before October 1, an amount equaling 25% of all monies assessed and on or before December 31 an amount equal to the difference between the total of all monies assessed and the total of monies previously paid over.

**P. Fund Equity**

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Township of Edgewater Park Fire District No.1's classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making District and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**Q. Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**R. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**S. Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended December 31, 2021:

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Fund balance has been restated in adoption of the accounting pronouncement. See note 7 for prior period restatement.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**S. Impact of Recently Issued Accounting Principles (continued)**

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management has determined this Statement does not have a material impact on the District's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has determined this Statement does not have a material impact on the District's financial statements.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has determined this Statement does not have a material impact on the District's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 91, Conduit Debt Obligations, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**T. Subsequent Events**

Township of Edgewater Park Fire District No.1's has evaluated subsequent events occurring after December 31, 2021 through the date of August 5, 2022, which is the date the financial statements were available to be issued.

**Note 2. CASH DEPOSIT AND INVESTMENTS**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2021, the District’s bank balance of \$361,274 was exposed to custodial credit risk as follows:

Insured Under FDIC		\$	250,000
Collateralized in the District’s name			<u>111,274</u>
Under GUDPA			
 Total Insured		 \$	 <u>361,274</u>

**Note 3. CAPITAL ASSETS**

N.J.S.A. 40A: 14-84 governs the procedures for the acquisition of property and equipment for the Fire Districts, and the N.J.S.A. 40A: 14-85-87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus, equipment, land, and buildings to house such property in an amount not exceeding five mills on the dollar of the least assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or two percent of the assessed valuation of property, whichever is larger.

The following is a summarization of the changes in capital assets by source for the year ended December 31, 2021:

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Vehicles	\$ 17,900	\$ -	\$ -	\$ 17,900
Equipment	24,944	-	-	24,944
 Total Capital Assets	 42,844	 -	 -	 42,844
 Less accumulated depreciation for:				
Vehicles	(17,900)	-	-	(17,900)
Equipment	(14,894)	(2,010)	-	(16,904)
 Total Accumulated	 (32,794)	 (2,010)	 -	 (34,804)
 Capital assets, net	 \$ 10,050	 \$ (2,010)	 \$ -	 \$ 8,040

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 4. FUND BALANCE**

**General Fund** – Of the \$353,776 General Fund balance at December 31, 2021, \$18,500 is designated for subsequent year’s expenditures, \$3,217 is restricted for unemployment, and \$332,059 is unassigned.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation.

**Note 5. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for property, liability, and surety bonds.

Property and Liability Insurance - The District maintains commercial insurance for property, liability, and surety bonds.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable reserve for state unemployment for the current year and prior two years:

Fiscal Year	District Contributions	Employee Withholdings	Amount Reimbursed	Reserve Balance
2021	-	\$ 270	-	\$ 3,217
2020	-	229	-	2,947
2019	-	180	-	2,718
2018	-	161	-	2,538

**Note 6. COMMITMENTS**

Township of Edgewater Park Fire District No.1's contracts with Beverly City Fire District for Beverly to provide fire protection services to Edgewater Park Fire District No.1. The agreement is subject to annual approval and appropriation of funds by the voters and governing bodies of both districts. The term of the agreement is for one years from January 1, 2022 through December 31, 2022. The agreed amount as of December 31, 2021 is \$305,200 for the 2022 year.

**Note 7. PRIOR PERIOD ADJUSTMENT/RESTATEMENT OF FUND BALANCE**

During the year ended December 31, 2021 the District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Fund Balance. The beginning balances as of January 1, 2021 were adjusted as follows for funds restricted for unemployment:

Fund balance, January 1	\$ 303,265
Prior Period Adjustment	2,947
Fund balance, January 1 (Restated)	\$ 306,212

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**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Miscellaneous anticipated revenue:				
Interest income	\$ 130	\$ 130	\$ 271	\$ 141
Miscellaneous restricted	-	-	270	270
Total miscellaneous revenues	<u>130</u>	<u>130</u>	<u>541</u>	<u>411</u>
Operating grant revenues:				
Supplemental fire service act	<u>3,010</u>	<u>3,010</u>	<u>3,010</u>	<u>-</u>
Total operating grant revenue	<u>3,010</u>	<u>3,010</u>	<u>3,010</u>	<u>-</u>
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues:				
Annual Registration Fees	18,000	18,000	18,000	-
Other revenues	<u>20,700</u>	<u>20,700</u>	<u>19,557</u>	<u>(1,143)</u>
Total uniform fire safety act revenues	<u>38,700</u>	<u>38,700</u>	<u>37,557</u>	<u>(1,143)</u>
Total miscellaneous revenues offset with appropriations	<u>38,700</u>	<u>38,700</u>	<u>37,557</u>	<u>(1,143)</u>
Total revenues	<u>41,840</u>	<u>41,840</u>	<u>41,108</u>	<u>(732)</u>
Amount raised by taxation to support district budget	<u>439,460</u>	<u>439,460</u>	<u>439,460</u>	<u>-</u>
Total anticipated revenues	<u>481,300</u>	<u>481,300</u>	<u>480,568</u>	<u>(732)</u>

**TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	13,200	13,200	13,100	100
Fringe benefits	3,800	3,800	1,558	2,242
Other expenditures:				
Professional fees	20,500	20,500	10,038	10,462
Elections	2,000	2,000	1,146	854
Office Expenses	5,060	5,060	777	4,283
	<u>44,560</u>	<u>44,560</u>	<u>26,619</u>	<u>17,941</u>
Total administration				
Cost of operations and maintenance:				
Miscellaneous Expenses	17,800	17,800	5,425	12,375
Other expenditures:				
Rental charges	87,500	87,500	74,881	12,619
Outside services	292,740	292,740	292,740	-
	<u>398,040</u>	<u>398,040</u>	<u>373,046</u>	<u>24,994</u>
Total cost of operations and maintenance				
Operating appropriations offset with revenues:				
Salaries and wages	22,300	22,300	21,933	367
Fringe benefits	3,500	3,500	2,609	891
Telephone	800	1,000	827	173
Vehicle Insurance & Expense	2,200	1,900	1,427	473
Miscellaneous Expenses	6,400	6,500	6,543	(43)
Other Assets, Non-Bondable #1	18,000	18,000	-	18,000
	<u>53,200</u>	<u>53,200</u>	<u>33,339</u>	<u>19,861</u>
Total operating appropriations offset with revenues				
Total operating appropriations	<u>495,800</u>	<u>495,800</u>	<u>433,004</u>	<u>62,796</u>
Excess (efficiency) of revenues over (under) expenditures	<u>(14,500)</u>	<u>(14,500)</u>	<u>47,564</u>	<u>62,064</u>
Fund balance, January 1	303,265	303,265	303,265	-
Prior Period Adjustment	2,947	2,947	2,947	-
Fund balance, January 1 (Restated)	<u>306,212</u>	<u>306,212</u>	<u>306,212</u>	<u>-</u>
Fund balance, December 31	<u>\$ 291,712</u>	<u>\$ 291,712</u>	<u>\$ 353,776</u>	<u>\$ 62,064</u>

**Township of Edgewater Park Fire District No. 1  
Statistical Information  
December 31, 2021**

Property Tax Levies

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding nine years.

Year	Assessed Valuation	Total Tax Levy	Property Tax Levy
2021	\$ 591,432,600	\$ 439,460	0.075
2020	578,178,260	430,848	0.075
2019	595,000,500	422,400	0.071
2018	591,432,600	414,400	0.069
2017	589,784,500	406,000	0.069
2016	595,543,800	398,062	0.067
2015	604,096,000	390,257	0.065
2014	608,503,020	382,607	0.063
2013	612,504,100	328,882	0.054
2012	617,316,981	322,434	0.053

Debt Service

The District has no debt issued or authorized at December 31, 2021.

Unrestricted Fund Balance

General Fund:

Fiscal Year Ended	End of Fiscal Year	Utilization In Subsequent Budget
2021	\$ 332,059	\$ 18,500
2020	303,265	14,500
2019	269,854	11,500
2018	211,100	1,000
2017	159,919	4,000
2016	123,980	4,000
2015	64,333	7,000
2014	74,690	14,000
2013	32,962	14,000
2012	57,181	51,141

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Certified Public Accountants & Advisors

Board of Fire Commissioners  
Township of Edgewater Park Fire District No.1  
County of Burlington  
Edgewater Park, New Jersey

We have audited the basic financial statements of the Township of Edgewater Park Fire District No.1, County of Burlington, State of New Jersey for the year ended December 31, 2021. 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 \$17,500, except by contract or agreement.

It is pointed out that the Board of Fire Commissioners 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*).

**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.

**Examination of Cash Receipts**

A test check of cash receipts was performed.

**Prior Year Findings**

There were no prior year findings.

**Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

Medford, New Jersey  
August 5, 2022