

TOWNSHIP OF EDGEWATER PARK

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2010

**TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON**

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TOWNSHIP OF EDGEWATER PARK

PART I

**REPORT OF AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA**

YEAR ENDED DECEMBER, 31 2010

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. BOX 614

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MEMBER
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INDEPENDENT AUDITOR'S REPORT
ON BASIC FINANCIAL STATEMENTS

The Honorable Mayor and Members
of the Township Committee
Township of Edgewater Park
400 Delanco Road
Edgewater Park, New Jersey 08010

We have audited the accompanying statements of assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Township of Edgewater Park, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2010, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended, the statement of revenues – regulatory basis, the statement of expenditures – regulatory basis and the statement of general fixed assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Township of Edgewater Park's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Township of Edgewater Park as of December 31, 2009 were audited by other auditors whose report dated May 14, 2010 expressed an adverse opinion on those statements because they were not prepared in accordance with generally accepted accounting principles. However, the auditor's opinion as of December 31, 2009 based on the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in the notes to the financial statements was unqualified.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

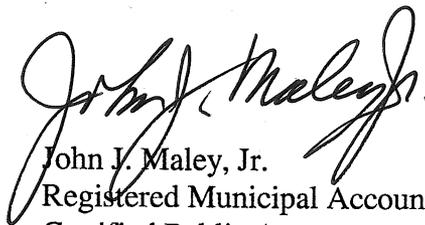
In our opinion, because of the Township of Edgewater Park's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various funds of the Township of Edgewater Park, State of New Jersey, as of December 31, 2010 or the results of operations of such funds and changes in funds balances for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Edgewater Park, State of New Jersey, as of December 31, 2010, and the results of operations of such funds and changes in fund balances for the years then ended in conformity with the basis of accounting described in the Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2011 on our consideration of the Township of Edgewater Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Township of Edgewater Park, in the County of Burlington, State of New Jersey, taken as a whole. The supplementary schedules of the individual funds listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,



John J. Maley, Jr.
Registered Municipal Accountant No. 218
Certified Public Accountant

June 14, 2011

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

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

The Honorable Mayor and Members
of the Township Committee
Township of Edgewater Park
400 Delanco Road
Edgewater Park, New Jersey 08010

We have audited the basic financial statements of the Township of Edgewater Park, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 14, 2011. 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report our opinion was qualified because the financial statements were prepared on a comprehensive basis of accounting other than generally accepted accounting principles. The Township does not prepare financial statements in accordance with generally accepted accounting principles. Our opinion on the financial statements prepared in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey was unqualified.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Edgewater Park's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Township of Edgewater Park's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Edgewater Park's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying General Comments and Findings section, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying General Comments and Findings section as 2010-01 to be a material weakness.

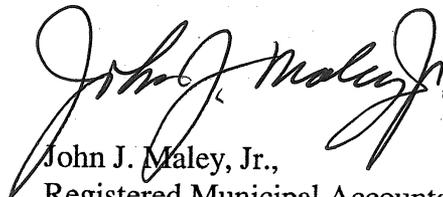
Compliance and Other Matters

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

The Township of Edgewater Park's response to the finding identified in our audit is described in the accompanying General Comments and Findings section. We did not audit the Township of Edgewater Park's response and, accordingly, we express no opinion on them.

This report is intended solely for the information of the management of the Township of Edgewater Park, the New Jersey State Department of Community Affairs, Division of Local Government Services and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



John J. Maley, Jr.,
Registered Municipal Accountant No. 218
Certified Public Accountant

June 14, 2011

TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Regular Fund:			
Cash:			
Treasurer	A-4	\$2,280,713	2,159,162
Collector	A-3	163,420	240,935
Change Fund		250	250
		<hr/>	<hr/>
Total Regular Fund		2,444,383	2,400,347
		<hr/>	<hr/>
Due from State of New Jersey for Senior Citizen & Veteran Deductions		34,384	33,605
		<hr/>	<hr/>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	399,167	302,880
Tax Title Liens Receivable	A-6	1,515	1,394
Property Acquired for Taxes - Assessed Valuation	A-7	666,000	666,000
Revenue Accounts Receivable	A-8	6,803	22,124
Interfunds Receivable:			
Due From Dog Trust Fund	B		51
Due From Other Fund	B	2,193	655
		<hr/>	<hr/>
Total Receivables & Other Assets With Full Reserves		1,075,678	993,104
		<hr/>	<hr/>
Deferred Charges To Future Taxation:			
Special Emergency Authorizations	A-9	153,200	193,200
		<hr/>	<hr/>
Total Deferred Charges		153,200	193,200
		<hr/>	<hr/>
Subtotal		3,707,645	3,620,256
		<hr/>	<hr/>
Federal & State Grant Fund:			
Cash	A-4	87,358	63,459
Federal & State Aid Receivable	A-12	1,999	19,195
		<hr/>	<hr/>
Total Federal & State Grant Fund		89,357	82,654
		<hr/>	<hr/>
Total Assets		\$3,797,002	3,702,910
		<hr/> <hr/>	<hr/> <hr/>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
Revenue & Other Income Realized:		
Fund Balance Utilized	\$662,346	989,793
Miscellaneous Revenue Anticipated	1,157,324	1,317,541
Receipts From Delinquent Taxes	286,300	243,843
Receipts From Current Taxes	13,907,877	13,545,756
Nonbudget Revenue	93,032	154,178
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	362,632	199,205
Due from Animal Control	51	
Statutory Excess from Animal Control	3,158	
Federal & State Grants Cancelled	304	109
Interfund Liquidated	1,747	8,972
	<hr/>	<hr/>
Total Revenue & Other Income Realized	16,474,771	16,459,397
	<hr/>	<hr/>
Expenditures:		
Budget & Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,184,290	2,225,137
Other Expenses	1,907,012	2,135,726
Deferred Charges & Statutory Expenditures	415,789	165,501
Operations Excluded From "CAPS":		
Other Expenses	409,365	519,114
Capital Improvements	7,000	7,000
Municipal Debt Service	422,158	387,151
Deferred Charges & Statutory Expenditures	40,000	24,801
County Taxes	2,419,611	2,562,035
Due County for Added & Omitted	630	1,993
Local District School Tax	7,875,663	7,641,340
Special Fire District Taxes	309,900	309,900
Open Space Tax	30,767	31,032
Interfund Created	133	
Refund of Prior Year Revenue	19,695	19,269
	<hr/>	<hr/>
Total Expenditures	16,042,013	16,029,999
	<hr/>	<hr/>
Excess in Revenue to Fund Balance	432,758	429,398
	<hr/>	<hr/>
Adjustments to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year		180,400
		<hr/>
Statutory Excess to Fund Balance	432,758	609,798
	<hr/>	<hr/>
Fund Balance - Balance January 1	700,019	1,080,014
Decreased by: Utilization as Anticipated Revenue	662,346	989,793
	<hr/>	<hr/>
Balance December 31, 2010	\$470,431	700,019
	<hr/>	<hr/>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$13,907,877
Allocated to School, County & Fire District Taxes	<u>10,636,571</u>
Balance for Support of Municipal Budget Appropriations	3,271,306
Increased by Appropriation - Reserve for Uncollected Taxes	<u>310,019</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$3,581,325</u></u>
Receipts from Delinquent Taxes:	
Taxes Receivable	<u>\$286,299</u>
Total	<u><u>\$286,299</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Reimbursements	\$37,985
Snow Removal	43,635
SCVet Reimbursement	2,605
Miscellaneous	<u>8,807</u>
Total	<u><u>\$93,032</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Health & Welfare:					
Board of Health:					
Salaries and Wages	3,340	3,340	2,978	362	
Other Expenses	1,050	1,050	462	588	
Park & Recreation Functions:					
Recreation Services & Programs:					
Other Expenses	7,400	7,400	413	6,987	
Maintenance of Parks:					
Other Expenses	4,300	4,300	1,874	2,426	
Uniform Construction Code - Offset by Dedicated Revenues (N.J.A.C.5:23-4.17):					
Construction Code Official:					
Building Inspector:					
Salaries and Wages	109,030	108,380	86,588	21,792	
Other Expenses	11,600	11,600	11,079	521	
Sub-Code Officials:					
Plumbing Inspector:					
Salaries and Wages	6,000	6,300	6,148	152	
Electrical Inspector:					
Salaries and Wages	6,000	6,000	5,916	84	
Fire Protection Inspector:					
Salaries and Wages	6,000	6,350	6,322	28	
Utility Expenses & Bulk Purchase:					
Electricity	91,200	91,200	37,545	53,655	
Street Lighting	96,000	96,000	82,675	13,325	
Telephone	26,000	26,000	18,909	7,091	
Water	2,200	2,200	1,259	941	
Fuel Oil	16,000	16,000	9,703	6,297	
Telecommunications	18,500	18,500	16,171	2,329	
Gasoline	60,000	60,000	53,874	6,126	
Municipal Court:					
Municipal Court:					
Salaries and Wages	106,951	106,951	100,358	6,593	
Other Expenses	14,680	14,680	10,680	4,000	
Unclassified:					
Storm Water Sewers:					
Other Expenses	5,000	5,000	1,415	3,585	
Environmental Commission (N.J.S.40:56-1 et. seq.):					
Other Expenses	250	250	185	65	
Aid to Providence House	1,500	1,500		1,500	
New Letter:					
Other Expenses	5,400	5,400	5,400		
Total Operations Within "CAPS"	4,116,302	4,116,302	3,586,037	505,265	25,000
Total Operations Including Contingent Within "CAPS"	4,116,302	4,116,302	3,586,037	505,265	25,000

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS - Excluded from "CAPS"					
Capital Improvements:					
Capital Improvement Fund	5,000	5,000	5,000		
Drainage Improvements	2,000	2,000	2,000		
Total Capital Improvement Excluded "CAPS"	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>		
Municipal Debt Service:					
Payment of Serial Bonds	132,000	132,000	132,000		
Payment of Bond Anticipation Notes	85,000	85,000	85,000		
Interest on Notes	92,000	92,000	83,721		8,279
Interest on Serial Bonds	121,500	121,500	121,437		63
Total Municipal Debt Service	<u>430,500</u>	<u>430,500</u>	<u>422,158</u>		<u>8,342</u>
Deferred Charges - Municipal:					
Special Emergency Authorizations	40,000	40,000	40,000		
Total Deferred Charges - Municipal	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>		
Total General Appropriations - Municipal Purposes - Excluded From "CAPS"	<u>886,865</u>	<u>886,865</u>	<u>752,004</u>	<u>126,519</u>	<u>8,342</u>
Subtotal General Appropriation Items	5,418,956	5,418,956	4,746,933	638,681	33,342
Reserve For Uncollected Taxes	310,019	310,019	310,019		
Total General Appropriations	<u>\$5,728,975</u>	<u>5,728,975</u>	<u>5,056,952</u>	<u>638,681</u>	<u>33,342</u>
Budget		\$5,724,575			
Special Emergency Authorizations		<u>4,400</u>			
Total		<u>\$5,728,975</u>			
Deferred Charges:					
Special Emergency Authorization			\$40,000		
Due to General Capital Fund			5,000		
Reserve for Uncollected Taxes			310,019		
Federal and State Grant Funds			36,324		
Encumbrances			60,057		
Disbursed			<u>4,605,552</u>		
Total			<u>\$5,056,952</u>		

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EDGEWATER PARK
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

ASSETS	REFERENCE	2010	2009
Cash & Investments	C-2	\$5,636	5,636
Due from Current Fund	A	932,164	788,477
Due from Open Space Trust Fund	B	15,000	15,000
Deferred Charges to Future Taxation:			
Funded		2,404,000	2,536,000
Unfunded	C-3	3,284,674	3,441,674
Total Assets		\$6,641,474	6,786,787

LIABILITIES, RESERVES & FUND BALANCE

Bond Anticipation Notes	C-8	\$2,820,000	2,905,000
Serial Bonds	C-7	2,404,000	2,536,000
Improvement Authorizations:			
Funded	C-5	147,552	162,722
Unfunded	C-5	888,879	1,026,649
Capital Improvement Fund	C-4	10,548	5,048
Reserves for:			
Repayment of Bond Anticipation Notes	C-2	219,127	
Fund Balance	C-1	151,368	151,368
Total Liabilities, Reserves & Fund Balance		\$6,641,474	6,786,787

There were bonds and notes authorized but not issued on December 31, 2010 of \$464,674 and on December 31, 2009 of \$536,674.

EXHIBIT C-1

**TOWNSHIP OF EDGEWATER PARK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u>\$151,368</u>
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The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies

A. 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.

B. 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.

C. 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

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies (continued):

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 has not been accounted for separately.

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 of Local Government Services, Department of Community Affairs, State of New Jersey.

N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body 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 published and circulating in the municipality. The public hearing cannot be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

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

Note 2. Cash and 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, 2010, and reported at fair value are as follows:

Type	Maturities	Carrying Value
Deposits:		
Demand Deposits		\$1,968,450
Certificates of Deposits	4/3/2011	530,914
Certificates of Deposits	6/21/2011	<u>248,442</u>
Total Deposits		<u>\$2,747,806</u>

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 2. Cash and Cash Equivalents and Investments (continued):

- 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.

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 4. Debt (continued):

A. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3½% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2010 was \$5,469,546. The Township's remaining borrowing power is \$17,029,551.

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

B. Pooled Loan Revenue Bonds

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). The following is a schedule of annual payments to the Commission for principal and interest:

Year	Principal	Interest	Total
2011	\$ 138,000	\$ 115,496	\$ 253,496
2012	143,000	110,666	253,666
2013	150,000	103,516	253,516
2014	158,000	96,016	254,016
2015	165,000	88,116	253,116
2016-2020	959,000	308,082	1,267,082
2021-2023	<u>691,000</u>	<u>63,443</u>	<u>754,443</u>
Total	<u>\$2,404,000</u>	<u>\$ 885,335</u>	<u>\$3,289,335</u>

C. Special Emergency Note

A special emergency note was authorized in 2009 to fund the revaluation program amounting to \$193,200. The note was issued July 9, 2010 for \$144,320, maturing July 8, 2011 with interest at 1.6%. The balance of the note will be paid in not less than four annual installments.

Note 5. 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 of Edgewater Park compensates employees for all unused vacation days upon termination or retirement. The current policy also provides for the payment of 75% of unused sick leave accumulated at the rate of pay upon termination or retirement.

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 7. Pension (continued):

of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately 3.77% for P.E.R.S. and 9.41% for P.F.R.S. of annual covered payroll. The contribution requirements of plan members and the Township of Edgewater Park are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$79,004, \$71,153 and \$53,984, respectively, equal to the required contributions for each year and to P.F.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$197,200, \$170,672 and \$148,984, respectively, equal to the required contributions for each year.

Note 8. 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 13th.

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 10. Post-Retirement Benefits (continued):

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 TPAF. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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.

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.

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.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

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 Edgewater Park Township on a monthly basis. As a participating employer the Authority 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 Laws of 1972.

The Township of Edgewater Park contributions to SHBP for the years ended December 31, 2010, 2009, and 2008, were \$55,523, \$38,410, and \$35,473 respectively, which equaled the required contributions for each year. There were four retired participants eligible at December 31, 2010, 2009, and 2008 respectively.

TOWNSHIP OF EDGEWATER PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 14. Interfunds

The following interfunds remained as of December 31, 2010:

Fund	Due From	Due To
Current Fund	\$ 2,193	\$1,108,201
Trust Other	176,037	17,193
General Capital	<u>947,164</u>	<u> </u>
Total	<u>\$1,125,394</u>	<u>\$1,125,394</u>

Note 15: Contingent Liabilities

Litigation

The Township is the defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements.

Note 16: Subsequent Events

The Township adopted Bond Ordinance 04-2011 which took effect on May 17, 2011 authorizing various capital improvements totaling \$750,000. Bonds and notes authorized to be issued totaled \$669,750. The balance \$35,250 is funded by the capital improvement fund.

TOWNSHIP OF EDGEWATER PARK
COUNTY OF BURLINGTON

SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2010

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010**

	CURRENT FUND	FEDERAL & STATE GRANT FUND
Balance December 31, 2009	\$2,159,162	63,459
Increased by Receipts:		
Receipts from Collector	\$14,323,641	
Due From State of New Jersey - Senior Citizen & Veteran Deductions	130,250	
Revenue Accounts Receivable	923,889	
Petty Cash	100	
Miscellaneous Revenue Not Anticipated	93,032	
Special Emergency Note	144,320	
Due From Developer Trust Fund	1,050	
Due From General Capital Fund	291,128	
Due From Trust Other Fund	135,518	
Due From Open Space Fund	32,027	
Due From Grant Fund	302	
Due From Animal Control Fund	4,142	
Due From Special Law Enforcement Fund	17,500	
Due From Current Fund		
State & Federal Grants Receivable		31,747
State & Federal Grant Fund - Unappropriated		24,284
State & Federal Grant Fund - Township Share		
Total	16,096,899	56,031
Subtotal	18,256,061	119,490
Decreased by Disbursements:		
2010 Appropriations	4,605,552	
2009 Appropriation Reserve	264,627	
County Taxes	2,421,604	
Local District School Taxes	7,875,662	
Fire District Taxes	309,900	
Local Open Space Taxes Payable	30,767	
Due to General Capital Fund	152,440	
Due to Other Trust Fund	186,094	
Due to Dog Trust Fund	933	
Reserve for Revaluation Program	122,433	
Petty Cash	100	
Refund of Prior Year Revenue	98	
Tax Overpayments	5,005	
Due to Payroll Fund	133	
State & Federal Grant Fund - Township Share		
Due to Current Fund		302
Due to Federal & State Grant Fund		
Reserve for Federal & State Grant Funds - Appropriated		31,830
Total Disbursements	15,975,348	32,132
Balance December 31, 2010	\$2,280,713	87,358

TOWNSHIP OF EDGEWATER PARK
CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2010

YEAR	BALANCE DECEMBER 31, 2009	2010 LEVY	COLLECTED 2009	2010	DUE FROM STATE OF NEW JERSEY	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2010
2006	\$6,764			4,269					2,495
2007	5,538			5,538					1,719
2008	5,107			3,388					12,367
2009	285,471			273,036		68			
Total	302,880	14,292,242	115,573	286,231 13,633,530	131,029	27,745	1,658	121	16,581 382,586
Total	\$302,880	14,292,242	115,573	13,919,761	131,029	27,813	1,658	121	399,167

Cash Receipts \$13,919,761
Total \$13,919,761

ANALYSIS OF 2010 PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$14,280,793
Added Taxes (54:4-63.1 et seq)	11,449
Total	<u>\$14,292,242</u>
Tax Levy:	
Local District School Tax (Abstract)	\$7,875,663
Open Space	30,767
Fire District Tax (Abstract)	309,900
County Taxes:	
County Tax (Abstract)	\$1,976,403
County Open Space Tax (Abstract)	255,794
County Library Tax (Abstract)	187,414
Due County for Added & Omitted Taxes	630
	<u>2,420,241</u>
Local Tax For Municipal Purposes	3,644,853
Add: Additional Tax Levy	10,818
	<u>3,655,671</u>
Total Levy	<u>\$14,292,242</u>

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BALANCE DECEMBER 31, 2009	ACCRUED IN 2010	COLLECTED BY TREASURER	COLLECTED BY TAX COLLECTOR	RECEIVABLE DECEMBER 31, 2010
Municipal Clerk:					
Licenses:					
Alcoholic Beverages		8,000	8,000		
Interest Earned on Deposits		33,358	33,358		
Fees & Permits Other	\$4,319	30,599	34,305	10	603
Construction Code Official:					
Fees & Permits	6,830	50,154	55,354		1,630
Municipal Court:					
Fines & Fees	\$10,975	110,428	116,833		4,570
Energy Receipts Tax		581,215	581,215		
Consolidated Municipal Property Tax Relief		94,824	94,824		
Total	\$22,124	908,578	923,889	10	6,803

**STATEMENT OF DEFERRED CHARGES - N.J.S.40A:55-53
SPECIAL EMERGENCY AUTHORIZATION
FOR THE YEAR ENDED DECEMBER 31, 2010**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2009	AUTHORIZED IN 2010	RAISED IN 2010 BUDGET	BALANCE DECEMBER 31, 2010
9/12/08	Tax Maps	16,000	3,200	\$12,800		\$3,200	9,600
10/06/09	Revaluation	180,400	36,080	\$180,400		\$36,800	143,600
	Total			\$193,200	40,000		153,200

**TOWNSHIP OF EDGEWATER PARK
CURRENT FUND
STATEMENT OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

OPERATIONS	BALANCE DECEMBER 31, 2010	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED
Health & Welfare:				
Public Health Services:				
Salaries and Wages	605	605		605
Other Expenses	155	155		155
Parks & Recreation:				
Recreation Services & Programs:				
Salaries and Wages	33	33		33
Other Expenses	6,506	6,506	5,390	1,116
Maintenance of Parks:				
Other Expenses	3,429	3,429		3,429
Utility Expenses & Bulk Purchases:				
Electricity	7,195	7,195	7,179	16
Street Lighting	19,403	19,403	17,110	2,293
Telephone	5,168	5,168	4,020	1,148
Water	209	209	147	62
Fuel Oil	6,402	6,402	2,980	3,422
Telecommunications	3,326	3,326	993	2,333
Gasoline	27,749	27,749	13,771	13,978
Municipal Court:				
Salaries and Wages	2,875	2,875		2,875
Other Expenses	5,619	5,619	2,340	3,279
Unclassified:				
Storm Water Sewers	1,528	1,528		1,528
Environmental Commission	675	675	18	657
Senior Citizen Transportation	500	500		500
News Letter	600	600	600	
Social Security System	5,368	5,368		5,368
Construction Code Official:				
Other Expenses	8,445	8,445	578	7,867
Health & Welfare:				
Construction Code Official:				
Building Inspector:				
Salaries and Wages	5,891	5,891		5,891
Electrical Inspector:				
Salaries and Wages	174	174		174
Fire Inspector:				
Salaries and Wages	26	26		26
Plumbing Inspector:				
Salaries and Wages	432	432		432
<hr/>				
Total General Appropriations for Municipal Purposes - Within "CAPS"	668,904	667,304	344,850	322,454

**TOWNSHIP OF EDGEWATER PARK
FEDERAL AND STATE GRANT FUND
STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROGRAM	BALANCE DECEMBER 31, 2009	2010 REVENUE	RECEIPTS	CANCELLED	BALANCE DECEMBER 31, 2010
State Grants:					
Municipal Drug Alliance	\$2,250		1,356	894	
Green Communities Grant	3,000		3,000		
Alcohol Education & Rehabilitation Management Plan	2,000	150	150	1	1,999
Clean Communities Grant Over the Limit		13,080	13,080		
Body Armor Replacement Program		4,400	1,350	3,050	
Recycling Tonnage Grant		866	866		
Justice Assistance Program	11,945	17,828	17,828		
			11,945		
Total State Grants	\$19,195	36,324	49,575	3,945	1,999
Cash			\$31,747		
Unappropriated			17,828		
			<u>\$49,575</u>		

**SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROGRAM	BALANCE DECEMBER 31 2009	GRANTS RECEIVED	REVENUE IN 2010 BUDGET	BALANCE DECEMBER 31, 2010
Federal & State Grants:				
Recycling Grant	\$17,827	22,680	17,828	22,679
Body Armor Fund	1	1,604		1,605
Clean Communities Grant	1			1
Alcohol Education & Rehabilitation Program	1			1
Total Federal & State Grants	\$17,830	24,284	17,828	24,286

**TOWNSHIP OF EDGEWATER PARK
TRUST FUND
STATEMENT TRUST CASH AND RECONCILIATION
PER N.J.S.40A:5-5 - TREASURER/COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>DOG LICENSE</u>	<u>OTHER</u>	<u>COLLECTOR</u>
Balance December 31, 2009	\$7,538	287,755	242,759
Receipts:			
Due From Dog Registrar	\$6,756		
Reserve for Tax Title Lien			114,537
Reserve for Escrow Fund Deposits		60,921	
Reserve for Off-Duty Police		17,700	
Reserve for Public Defender		5,599	
Reserve for Open Space		31,528	
Reserve for Train Station			
Reserve for Tree Fund		150	
Reserve for Special Law Enforcement Fund		711	
Reserve for Recreation Expenditures			
Total Receipts	<u>6,756</u>	<u>116,609</u>	<u>114,537</u>
Total Receipts & Balances	<u>14,294</u>	<u>404,364</u>	<u>357,296</u>
Disbursements:			
Expenditures Under			
N.J.S.A.40:19-15.11	933		
Statutory Excess Due to Current Fund	3,158		
Due to Trust Other Fund	753		
Planning Board Expenditures		75,845	
Refund of Tax Sale Premium		65,400	
Reserve for Public Defender		4,875	
Reserve for Off-Duty Police		26,898	
Reserve for Open Space		32,027	
Reserve for Recreation Trust		223	
Reserve for Train Station Fund		69	
Reserve for Special Law Enforcement Fund		17,500	
Due to Current	51		343,638
Reserve for Tax Title Liens			
Total Disbursements	<u>4,895</u>	<u>222,837</u>	<u>343,638</u>
Balance December 31, 2010	<u>\$9,399</u>	<u>181,527</u>	<u>13,658</u>

**TOWNSHIP OF EDGEWATER PARK
TRUST FUND
STATEMENT OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	\$3
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**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009	\$9,053
Decreased by:	
Recreation Expenditures	223
	\$8,830
Balance December 31, 2010	

**TOWNSHIP OF EDGEWATER PARK
STATEMENT OF RESERVE FOR SPECIAL LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$19,600
Increased by:		
Cash Receipts	\$564	
Interest Earned	147	711
Subtotal		20,311
Decreased by:		
Due Current Fund		17,500
Balance December 31, 2010		\$2,811

**STATEMENT OF RESERVE FOR PARKING OFFENSE ADJUDICATION ACT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009		\$267
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EXHIBIT B-11

**TOWNSHIP OF EDGEWATER PARK
STATEMENT OF RESERVE FOR RESTITUTION
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u>\$100</u>
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EXHIBIT B-12

**STATEMENT OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2009		\$85,811
Increased by:		
Open Space Tax Collected	\$30,767	
Interest Earned	761	31,528
	<u> </u>	
Subtotal		117,339
Decreased by:		
Disbursements		<u>32,027</u>
Balance December 31, 2010		<u>\$85,312</u>

EXHIBIT B-13

**STATEMENT OF BICYCLE PATROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u>\$1,796</u>
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**TOWNSHIP OF EDGEWATER PARK
TRUST FUND
STATEMENT OF RESERVE FOR TRAIN STATION
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 3, 2009	\$864
Decreased by:	
Disbursements	<u>69</u>
Balance December 31, 2010	<u><u>\$795</u></u>

**STATEMENT OF RESERVE FOR POLICE EQUIPMENT PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2010**

Balance December 31, 2010 & 2009	<u><u>\$732</u></u>
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**TOWNSHIP OF EDGEWATER PARK
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2009	2010 AUTHORIZATIONS	PAID BY BUDGET	OTHER	BALANCE DECEMBER 31, 2010	ANALYSIS OF BALANCE DECEMBER 31, 2010		
							FINANCED BY BOND	ANTICIPATION NOTES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		\$75				75			75
08-00	Various Improvements	153,399				153,399			153,399
16-02	Acquisition of Land	143,000		2,000		141,000	118,000	668	22,332
20-02	Acquisition of Land								
07-04	Various Drainage Improvements & Acquisition of Equipment	300,000		11,000		289,000	289,000		
09-04	Improvements along Cooper St. & West Franklin Ave	450,000		25,000		425,000	425,000		
09-03/8-06	Various Improvements	105,000		4,000		101,000	101,000		
19-05	Various Improvements	474,000		21,000		453,000	453,000		
10-06	Various Improvements	412,000		22,000		390,000	390,000		
10-07	Various Improvements	705,200				705,200	575,000		130,200
08-07, 03-08	Recreation Improvements	220,000				220,000	220,000		
04-08	Lincoln Ave Improvements	249,000				249,000	249,000		
09-15	Weiman Field Improvements	230,000			72,000	158,000		31,605	126,395
	Total	\$3,441,674		85,000	72,000	3,284,674	2,820,000	32,273	432,401

Improvement Authorizations - Unfunded		
Less: Unexpended Proceeds of Bond Anticipation Issued:		
Ordinance No. 09-03		\$107,400
Ordinance No. 07-04		939
Ordinance No. 09-04		56,166
Ordinance No. 19-05		41,963
Ordinance No. 10-06		64,579
Ordinance No. 08-07, 03-08		16,527
Ordinance No. 10-07, 02-08		135,320
Ordinance No. 04-08		33,584
		888,879

Total

\$432,401

TOWNSHIP OF EDGEWATER PARK
 GENERAL CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2010

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2009		2010 AUTHORIZATIONS	CANCELLED	PAID OR CHARGED	BALANCE DECEMBER 31, 2010	
			AMOUNT	FUNDED				UNFUNDED	FUNDED
17-99	Computer Equipment	10/20/99	\$30,000	\$500		500			
08-00	Various Improvements	6/28/00	158,500	47,572	75			47,572	75
16-01/15-02	Various Improvements	9/25/02	425,000	94,462				94,462	
16-02	Acquisition of Land	9/25/02	1,400,000		153,399				153,399
20-02	Acquisition of Land	12/18/02	375,000		22,332				22,332
07-03	Various Improvements	5/18/03	48,000	5,518				5,518	
09-03	Various Improvements	7/28/03	930,500		107,400				107,400
07-04	Drainage Improvements & Purchase of Equipment	06/29/04	405,000		939				939
09-04	Improvements Along Cooper Street & West Franklin Avenue	10/12/04	500,000		90,227		34,061		56,166
19-05	Various Improvements	12/13/05	764,000		42,067		104		41,963
10-06	Various Improvements	04/04/06	523,000		64,579				64,579
08-07/03-08	Recreation Improvements	09/04/07	176,500		16,527				16,527
10-07	Various Improvements	12/04/07	818,200		265,520				265,520
04-08	Lincoln Ave Improvements	3/04/08	420,000		33,584				33,584
09-15	Weiman Field Improvements	12/01/09	245,000	14,670	230,000		118,275		126,395
Total				\$162,722	1,026,649	500	152,440	147,552	888,879

Due to Current Fund

152,440

Total

152,440

TOWNSHIP OF EDGEWATER PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF GENERAL SERIAL BONDS
 AT DECEMBER 31, 2010

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	BALANCE		
			DATE	AMOUNT		DECEMBER 31, 2009	DECEMBER 31, 2010		
						INCREASED	DECREASED		
General Bonds of 2003	11/01/03	\$3,267,000	11/01/11	138,000	3.500%	\$2,536,000	132,000	2,404,000	
			11/01/12	143,000	5.000%				
			11/01/13	150,000	5.000%				
			11/01/14	158,000	5.000%				
			11/01/15	165,000	5.000%				
			11/01/16	174,000	5.000%				
			11/01/17	182,000	5.000%				
			11/01/18	191,000	5.000%				
			11/01/19	201,000	5.000%				
			11/01/20	211,000	5.000%				
			11/01/21	222,000	5.000%				
			11/01/22	231,000	4.375%				
			11/01/23	238,000	4.500%				
Totals						\$2,536,000	-	132,000	2,404,000

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

	2010	2009	2008
Issued -			
General - Bonds and Notes	\$5,224,000	5,441,000	5,631,000
Deductions - Funds Temporarily Held to Pay Notes:			
General	219,128		
	<hr/>	<hr/>	<hr/>
Net Debt Issued	5,004,872	5,441,000	5,631,000
	<hr/>	<hr/>	<hr/>
Authorized But Not Issued:			
General - Bonds & Notes	464,674	536,674	328,275
	<hr/>	<hr/>	<hr/>
Net Debt	\$5,469,546	5,977,674	5,959,275
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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 .92%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District	\$1,404,000	1,404,000	
General Debt	5,688,674	219,128	5,469,546
	<hr/>	<hr/>	<hr/>
Total	\$5,688,674	219,128	5,469,546
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Net debt, \$5,469,546, divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$642,831,351 equals .85%.

Equalized Valuation Basis:

2010	\$618,363,453
2009	638,374,871
2008	671,755,728
	<hr/>
Average	\$642,831,351
	<hr/> <hr/>

Borrowing Power Under 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$22,499,097
Net Debt	5,469,546
	<hr/>
Remaining Borrowing Power	\$17,029,551
	<hr/> <hr/>

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

**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 percentage of current collection could be an indication of a probable increase in future tax levies.

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2010	\$14,292,242	13,880,132	97.11%
2009	13,834,986	13,545,756	97.91%
2008	13,332,681	13,077,075	98.08%
2007	12,872,613	12,514,887	97.22%
2006	11,806,651	11,574,674	98.04%

Comparison of Tax Rate Information

	2010	2009	2008
Total Tax Rate	<u>\$4.642</u>	<u>\$4.454</u>	<u>\$4.273</u>
Apportionment of Tax Rate:			
Municipal	1.184	1.054	0.981
County	0.788	0.828	0.803
Local School	2.560	2.462	2.380
Fire District Tax	0.101	0.100	0.100
Open Space Tax	0.009	0.010	0.009

Net Valuation Taxable:

2010	<u>\$307,677,410</u>		
2009		<u>\$310,325,085</u>	
2008			<u>\$311,134,167</u>

Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2010	\$1,515	399,167	400,682	2.80%
2009	1,394	302,880	304,274	2.20%
2008	1,278	263,829	265,107	1.99%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2010:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Kevin Johnson	Mayor		B
Darrel Booker	Deputy Mayor		B
John Mcelwee	Committeeman		B
Joseph T. Pullion, Jr.	Committeeman		B
Aimee Belgard	Committeewoman		B
Linda Dougherty	Township Administrator, Township Clerk, Municipal Improvement Search Officer, Secretary to Chief Financial Officer, Registrar of Dogs		B
Margaret Peak	Certified Municipal Finance Officer	\$200,000	A
Frank N. Van Gelder	Assistant Treasurer		B
Tanyika Johns	Tax Collector/Deputy Clerk Statistics	\$125,000	A
James Vogdes	Municipal Court Judge	\$ 35,000	A
Ann DiMarco	Court Administrator		B
Terri Lynn Harper	Deputy Court Administrator		B
James Scott	Construction Code Official		B
Leo Midure	Tax Assessor		B
William Kearns	Solicitor		
Environmental Resolutions, Inc. Engineer			

(A) RLI Insurance Company

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

TOWNSHIP OF EDGEWATER PARK

PART II

GENERAL COMMENTS AND FINDINGS

YEAR ENDED DECEMBER 31, 2010

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2010. 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 \$21,000 through June 30, 2010 and \$26,000 thereafter 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.

FINDINGS

Finding 2010-01:

Payroll

Criteria:

Internal controls over payroll processing should be followed.

Condition:

The amount of payroll expense recorded in the general ledger did not agree with the subsidiary payroll records by \$20,528.

Context:

Payroll records are normally reconciled to the general ledger concurrent with each payroll period. In this one instance the reconciliation was not performed.

Cause:

A manual check was written during the year and adjusted in the payroll records but was not properly recorded in the general ledger.

Effect:

The statement of expenditures was understated by \$20,258. The audited financial statements were adjusted to correct the misstatement.

Recommendation:

The payroll records should be routinely reconciled to the general ledger.

View of Responsible Officials

The responsible officials are in agreement with the above findings that will be addressed in a corrective action plan.

Status of Prior Year Audit Findings

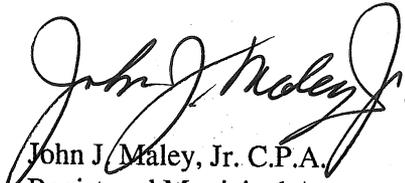
There were no prior year findings.

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,



John J. Maley, Jr. C.P.A.
Registered Municipal Accountant No. 218

June 14, 2010