

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

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010

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## **INTRODUCTORY SECTION**

BOARD OF FIRE COMMISSIONERS

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

ROSTER OF OFFICIALS

DECEMBER 31, 2010

BOARD OF COMMISSIONERS

|                   |                            |
|-------------------|----------------------------|
| John Loftus       | Chairman                   |
| Calvin Stevenson  | Secretary                  |
| Timothy Joo       | Treasurer 1/1/10-9/8/10    |
| Walter Pozniewski | Treasurer 10/5/10-12/31/10 |
| Michael Johnson   | Commissioner               |
| Dennis Robbins    | Commissioner               |

OTHER OFFICIALS

|                |                         |
|----------------|-------------------------|
| Robert Simcox  | Salary Clerk/Accountant |
| John Augustino | Fire Official           |

**FINANCIAL SECTION**

**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

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners:  
Township of Edgewater Park Fire District No. 1  
400 Delanco Road  
Edgewater Park, NJ 08010

I have audited the accompanying financial statements of the governmental activities and each governmental fund of the Township of Edgewater Park Fire District No. 1, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with audit requirements prescribed by the Local Finance Board, Department of Community affairs, State of New Jersey. Those standards require that I 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 disclosures in the general-purpose 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. I believe that my audit provides a reasonable basis for my opinion.

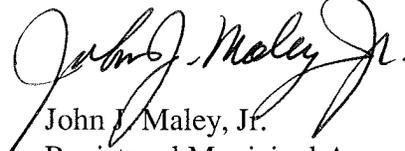
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each governmental fund of the Edgewater Park Fire District No. 1 as of December 31, 2010 and the respective changes in the financial position thereof for the year then ended in conformity with accepted accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 10, 2011 on my consideration of the Edgewater Park Fire District No. 1's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management Discussion and Analysis section is not a required part of the basic financial statements but it is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statement. 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.

Respectfully submitted,

A handwritten signature in black ink that reads "John J. Maley, Jr." with a stylized, cursive script.

John J. Maley, Jr.  
Registered Municipal Accountant  
Certified Public Accountant

June 10, 2011

**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

**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  
400 Delanco Road  
Edgewater Park, NJ 08010

I have audited the basic financial statements of the Edgewater Park Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2009, and have issued my report thereon dated June 10, 2011. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Edgewater Park Fire District No. 1's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Edgewater Park Fire District No. 1's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Edgewater Park Fire District No. 1's internal control over financial reporting.

*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.

My 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 might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified two deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that I consider to be a significant deficiency in internal control over financial reporting. 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. I consider the deficiencies described in the accompanying schedule of findings and responses identified as 2010-01 and 2010-02 to be significant deficiencies.

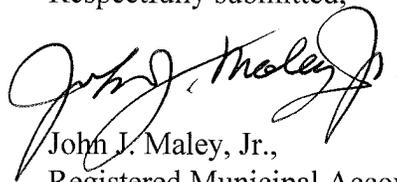
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Edgewater Park Fire District No. 1's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-02.

The Edgewater Park Fire District No. 1's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the Edgewater Park Fire District No. 1's response and, accordingly, I express no opinion on them.

This report is intended solely for the information of the management of the Edgewater Park Fire District No. 1, 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 10, 2011

## 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, 2010. 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. This report represents the first year the District's financial report is prepared in the GASB 34 format, so some comparative data may not be available.

#### Financial Highlights

Total assets were \$186,567 and total liabilities were \$15,245 resulting in net assets of \$171,322 at December 31, 2010.

The Fire district's unrestricted net assets were \$138,715 for the year ended December 31, 2009.

Operating revenue was \$346,449 for the year ended December 31, 2010.

Operating expenses were \$381,645 for the year ended December 31, 2010. The single largest expense was the Beverly Contract amount to \$249,938. The interlocal services agreement with the Beverly Fire District to provide fire protection services obligates Edgewater Park to payments in 2010, 2011, and 2012 amounting to \$249,938, \$259,936 and \$270,333 respectively.

#### 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 Assets includes a column to report governmental funds, a conversion column and a column to report Net Assets.

The combined financial statement, Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Net Assets 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 Assets – Table 1 summarizes the changes in net assets between December 31, 2010 and 2009:

Table 1

Condensed Summary of Net Assets

| Years Ended December 31,             | <u>2010</u>    | <u>2009</u>    | <u>Increase /<br/>(Decrease)</u> |
|--------------------------------------|----------------|----------------|----------------------------------|
| Assets:                              |                |                |                                  |
| Current Assets                       | 170,046        | 195,302        | (25,256)                         |
| Capital Assets (Net of Depreciation) | 16,521         | 20,739         | (4,218)                          |
| Total Assets                         | <u>186,567</u> | <u>216,041</u> | <u>(29,474)</u>                  |
| Liabilities:                         |                |                |                                  |
| Current Liabilities                  | 15,245         | 9,523          | 5,722                            |
| Non-Current Liabilities              | -              | -              | -                                |
| Total Liabilities                    | <u>15,245</u>  | <u>9,523</u>   | <u>5,722</u>                     |
| Net Assets                           |                |                |                                  |
| Invested in Capital Assets           | 16,521         | 20,739         | (4,218)                          |
| Restricted - Appropriation Reserves  | 16,086         | 7,581          | 8,505                            |
| Unrestricted                         | 138,715        | 178,198        | (39,483)                         |
| Total Net Assets                     | <u>171,322</u> | <u>206,518</u> | <u>(35,196)</u>                  |

Net assets decreased by \$35,196 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 assets between fiscal years December 31, 2010 and 2009.

Table 2

| <u>Condensed Summary of Revenues, Expenses and Changes in Net Assets</u> |                       |                       |                                  |
|--|-----------------------|-----------------------|----------------------------------|
| Years Ended December 31,   | <u>2010</u>           | <u>2009</u>           | <u>Increase /<br/>(Decrease)</u> |
| <u>Revenues</u>  |                       |                       |                                  |
| Operating Revenues:  |                       |                       |                                  |
| District Taxes   | 309,900               | 309,900               | -                                |
| Supplemental Fire Services   | 3,010                 | 2,777                 | 233                              |
| Other  | <u>33,538</u>         | <u>36,922</u>         | <u>(3,384)</u>                   |
| Total Revenues   | <u>346,449</u>        | <u>349,599</u>        | <u>(3,150)</u>                   |
| <u>Expenses</u>  |                       |                       |                                  |
| Operating Expenses:  |                       |                       |                                  |
| Salaries & Wages   | 9,600                 | 9,600                 | -                                |
| Other Expenses   | 332,021               | 316,874               | 15,147                           |
| Uniform Fire Safety Act  |                       |                       |                                  |
| Salaries & Wages   | 25,700                | 23,850                | 1,850                            |
| Other Expenses   | 10,107                | 6,505                 | 3,602                            |
| Depreciation Expense   | <u>4,218</u>          | <u>351</u>            | <u>3,867</u>                     |
| Total Expenses   | <u>381,645</u>        | <u>357,180</u>        | <u>24,465</u>                    |
| Change in Net Assets   | (35,196)              | (7,581)               | (27,615)                         |
| Notal Net Assets, Beginning of Year                                      | <u>206,518</u>        | <u>214,099</u>        | <u>(7,581)</u>                   |
| Total Net Assets, End of Year  | <u><u>171,322</u></u> | <u><u>206,518</u></u> | <u><u>(35,196)</u></u>           |

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

The items, which were responsible for changes in net assets for the year, ended December 31, 2009 included:

Beverly contract charges increased by \$9,613 (4.0%) when compared to the year ended December 31, 2009.

Hydrant rentals increased by \$1,831 (3.1%) when compared to the year ended December 31, 2009.

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, 2010 and 2009.

Table 3

Capital Assets - Net of Depreciation

| Years Ended December 31,                  | 2010          | 2009          | Increase /<br>(Decrease) |
|---|---------------|---------------|--------------------------|
| Vehicles                                  | 17,900        | 31,702        | (13,802)                 |
| Equipment                                 | 14,894        | 14,894        | -                        |
| Total Capital Assets                      | 32,794        | 46,596        | (13,802)                 |
| Less: Accumulated Depreciation            | 16,273        | 25,857        | (9,584)                  |
| Total Capital Assets: Net of Depreciation | <u>16,521</u> | <u>20,739</u> | <u>(4,218)</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 \$403,100 operating budget for 2011, an increase of \$9,587 when compared to 2010. The Tax Levy increased \$6,198 when compared to 2010.

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 Township Clerk by telephone at (609) 877-2050

**BASIC FINANCIAL STATEMENTS**

**Township of Edgewater Park Fire District No. 1**  
**Governmental Fund Balance/Statement of Net Assets**  
**For the Year Ended December 31, 2010**

|   | <u>General<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> | <u>Adjustments<br/>(Below)</u> | <u>Statement of<br/>Net Assets</u> |
|---|-------------------------|---|--------------------------------|------------------------------------|
| <b>ASSETS</b>                                   |                         |   |                                |                                    |
| Cash and Cash Equivalents                       | \$ 170,046              | \$ 170,046                              | \$ -                           | \$ 170,046                         |
| Fixed Assets Net of Depreciation                |                         | -                                       | 16,521                         | 16,521                             |
| Total assets                                    | <u>170,046</u>          | <u>170,046</u>                          | <u>16,521</u>                  | <u>186,567</u>                     |
| <b>LIABILITIES</b>                              |                         |   |                                |                                    |
| Accounts Payable                                | 12,353                  | 12,353                                  | -                              | 12,353                             |
| Reserve for Unemployment Claims                 | 1,585                   | 1,585                                   | -                              | 1,585                              |
| Payroll Liabilities                             | 1,306                   | 1,306                                   | -                              | 1,306                              |
| Total Liabilities                               | <u>15,245</u>           | <u>15,245</u>                           | <u>-</u>                       | <u>15,245</u>                      |
| <b>FUND BALANCES</b>                            |                         |   |                                |                                    |
| Reserved:                                       |                         |   |                                |                                    |
| For Appropriation Reserves                      | 16,086                  | 16,086                                  | (16,086)                       | -                                  |
| Unreserved                                      |                         |   |                                |                                    |
| Designated for Subsequent Year Expenditures     | 44,392                  | 44,392                                  | (44,392)                       | -                                  |
| General Fund                                    | 94,323                  | 94,323                                  | (94,323)                       | -                                  |
| Total Fund Balances                             | <u>154,801</u>          | <u>154,801</u>                          | <u>(154,801)</u>               | <u>-</u>                           |
| Total Liabilities and<br>Fund Balance           | <u>\$ 170,045</u>       |   |                                |                                    |
| <b>NET ASSETS</b>                               |                         |   |                                |                                    |
| Invested in capital assets, net of related debt |                         |   | 16,521                         | 16,521                             |
| Restricted - Appropriation Reserves             |                         |   | 16,086                         | 16,086                             |
| Unrestricted                                    |                         |   | 138,715                        | 138,715                            |
| Total Net Assets                                |                         |   | <u>\$ 171,322</u>              | <u>\$ 171,322</u>                  |

**ADJUSTMENTS**

Amounts reported for governmental activities in the statement of net assets ( Above ) are different because:

Fund Balance (Above) 154,801

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 32,794 and the accumulated depreciation is \$16,273. ( See Note 3 )

16,521

Net assets of governmental activities

\$ 171,322

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**Township of Edgewater Park Fire District No. 1**  
**Statement of Governmental Fund Revenues, Expenditures,**  
**and Changes in Fund Balances/Statement of Activities**  
**For the Year Ended December 31, 2010**

|   | <u>General<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> | <u>Adjustments<br/>(Below)</u> | <u>Statement<br/>of Activities</u> |
|---|-------------------------|---|--------------------------------|------------------------------------|
| <b>REVENUES</b>   |                         |   |                                |                                    |
| Local Sources:  |                         |   |                                |                                    |
| District Taxes  | \$ 309,900              | \$ 309,900                              | -                              | 309,900                            |
| State Sources:  |                         |   |                                |                                    |
| Supplemental Fire Services  | 3,010                   | 3,010                                   | -                              | 3,010                              |
| Miscellaneous Revenues:   |                         |   |                                |                                    |
| Interest on Deposits and Investments  | 1,488                   | 1,488                                   | -                              | 1,488                              |
| Proceeds/Gain on Sale   | 750                     | 750                                     | -                              | 750                                |
| Uniform Fire Safety Act   | 31,300                  | 31,300                                  | -                              | 31,300                             |
| Total Revenues  | <u>346,449</u>          | <u>346,449</u>                          | <u>-</u>                       | <u>346,449</u>                     |
| <b>EXPENDITURES/EXPENSES</b>  |                         |   |                                |                                    |
| Operating and Maintenance   |                         |   |                                |                                    |
| Salaries and Wages  | 9,600                   | 9,600                                   | -                              | 9,600                              |
| Other Expenses  | 332,021                 | 332,021                                 | -                              | 332,021                            |
| Uniform Fire Safety Act   |                         |   |                                |                                    |
| Salaries and Wages  | 25,700                  | 25,700                                  | -                              | 25,700                             |
| Other Expenses  | 10,107                  | 10,107                                  | -                              | 10,107                             |
| Depreciation Expense  | -                       | -                                       | 4,218                          | 4,218                              |
| Total Expenditures  | <u>377,427</u>          | <u>377,427</u>                          | <u>4,218</u>                   | <u>381,645</u>                     |
| Excess (Deficiency) of Revenues<br>over Expenditures                                      | (30,979)                | (30,979)                                | 30,979                         | -                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                         |   |                                |                                    |
| Transfers   | -                       | -                                       | -                              | -                                  |
| Excess (Deficiency) of revenues and transfers<br>in over expenditures and transfers (out) | (30,979)                | (30,979)                                | 30,979                         | -                                  |
| Change in net assets  | -                       | -                                       | (35,196)                       | (35,196)                           |
| <b>Fund Balances/Net Assets</b>   |                         |   |                                |                                    |
| Beginning of the Year   | 185,779                 | 185,779                                 | -                              | 206,518                            |
| End of the Year   | <u>\$ 154,801</u>       | <u>\$ 154,801</u>                       | <u>\$ -</u>                    | <u>\$ 171,322</u>                  |

**ADJUSTMENTS**

Total net change in fund balance - governmental funds ( Above ) (30,979)

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 (4,218)

    Capital Outlays -

Change in net assets of governmental activities \$ (35,196)

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

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**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.

In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the statement include the following provisions:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations. The District has not included this section.
- Financial statements prepared using full accrual accounting for all of the District’s activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. 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 authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board of Fire Commissioners exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements – Statement of Net Assets and Statement of Activities**

The District's basic financial statements include columns to report government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) in lieu of separate financial statements.

In the combined Governmental Funds/Statement of Net Assets and the combined Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Statement of Activities, the Statement of Net Assets and the Statement of Activities columns, are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

**C. Measurement Focus and Financial Statement Presentation**

The basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and are reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual:

In the combined financial statements, the Statement of Net Assets column and of the Statement of Activities columns, financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund. 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. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on long-term debt which are recorded when due.

Property Taxes:

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to the district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Inventories and Prepaid Expenses**

The cost of inventory items and prepaid expenses are recorded as expenditures in the governmental fund types. In the enterprise fund, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**E. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental columns in the financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000. Donated capital assets are valued at their estimated fair market value on the date received.

Capital assets are reflected as expenditures in the governmental fund. Capital outlays, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Depreciation of all assets is provided using the straight-line basis over the following estimated useful lives:

|                         |          |
|-------------------------|----------|
| Fire Vehicles           | 20 years |
| Machinery and Equipment | 5 years  |

**F. Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing issues. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Fund Equities**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Appropriation reserves represent unexpended balances of appropriations, except for amounts, which may be canceled by the governing body. Appropriation reserves are restricted, until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year.

In the statement of net assets, appropriation reserves are legally imposed restrictions.

**H. Budgets/Budgetary Control**

Annual appropriated budgets are prepared each year. The budgets are submitted to the Division of Local Government Services and are voted upon at the annual election on the third Saturday in February. Budgets are prepared in accordance with statute, which does not differ significantly from budgets prepared in accordance with GAAP. Limited budget amendments may be made during the last two months of the year with Board approval.

**I. 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 in governmental funds are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the next fiscal year as appropriation reserves. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Note 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes amounts on deposit, certificates of deposit and short term investments with original maturities of three months or less.

Investments are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The District deposits its funds in public depositories protected from loss under the provisions 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 New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include Savings and Loan Institutions, banks (both State and National Banks) and savings banks where deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 5% of the 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 government units.

As of December 31, 2010, cash and cash equivalents and investments of the District consisted of the following:

|                 | <u>Cash</u>    | <u>Investments</u> | <u>Total</u>   |
|-----------------|----------------|--------------------|----------------|
| Time Deposits   | 38,246         | -                  | 38,246         |
| Demand Deposits | <u>131,800</u> | <u>-</u>           | <u>131,800</u> |
|                 | <u>170,046</u> | <u>-</u>           | <u>170,046</u> |

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk. The carrying amount of the District's deposits with financial institutions at December 31, 2010 was \$170,046 and the bank balance was \$170,046. The demand deposit bank balance of \$475,819 was fully covered by federal depository insurance and GUDPA. Other than the above interest bearing accounts, there was no investment activity during the year.

Interest Rate Risk, Credit Risk and Concentrations of Credit Risk – The District does not have a formal investment policy addressing categories of risk.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 3: CAPITAL ASSETS**

The following is a summarization of the changes in capital assets by source for the year ended December 31, 2010:

|                                       | Primary Government    |                |                 |                       |
|---------------------------------------|-----------------------|----------------|-----------------|-----------------------|
|                                       | Balance<br>12/31/2009 | Additions      | Disposals       | Balance<br>12/31/2010 |
| Vehicles                              | 31,702                | -              | (13,802)        | 45,504                |
| Equipment                             | 14,894                | -              | -               | 14,894                |
| <b>Total Capital Assets</b>           | <b>46,596</b>         | <b>-</b>       | <b>(13,802)</b> | <b>60,398</b>         |
| Less accumulated<br>depreciation for: |                       |                |                 |                       |
| Vehicles                              | (14,100)              | (3,580)        | 13,802          | (31,482)              |
| Equipment                             | (11,757)              | (638)          | -               | (12,395)              |
| <b>Total Accumulated</b>              | <b>(25,857)</b>       | <b>(4,218)</b> | <b>13,802</b>   | <b>(43,877)</b>       |
| <b>Capital assets, net</b>            | <b>20,739</b>         | <b>(4,218)</b> | <b>-</b>        | <b>16,521</b>         |

**Note 4: FUND BALANCE UNRESERVED**

The fund balance unreserved at December 31, 2010 totaled \$138,715, of which \$44,392 is appropriated and included or anticipated revenue in the 2011 budget.

**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 trust fund for the current year and prior two years:

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**Note 5: RISK MANAGEMENT**

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Withholding</u> | <u>Amount Reimbursed</u> | <u>Reserve Balance</u> |
|--------------------|-------------------------------|-----------------------------|--------------------------|------------------------|
| 2010               | \$ 0                          | \$0                         | \$ 0.00                  | \$1,585.45             |
| 2009               | \$ 30                         | \$0                         | \$ 0.00                  | \$1,585.45             |
| 2008               | \$1,467.65                    | \$0                         | \$ 0.00                  | \$1,555.45             |

**Note 6: COMMITMENTS**

Edgewater Park Fire District No.1 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 three years from January 1, 2010 through December 31, 2012. The agreed amounts are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2010        | \$ 249,938    |
| 2011        | \$ 259,936    |
| 2012        | \$ 270,333    |

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Edgewater Park Fire District No. 1**  
**Statement of Revenues and Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2009 and December 31, 2008**  
**Statutory Basis**

|  | 2010              |                   |   | 2009              |                   |   |
|--|-------------------|-------------------|---|-------------------|-------------------|---|
|  | Amended<br>Budget | Actual            | Variance<br>Favorable/<br>(Unfavorable) | Amended<br>Budget | Actual            | Variance<br>Favorable/<br>(Unfavorable) |
| <b>Revenues:</b>   |                   |                   |   |                   |                   |   |
| Fund Balance   | \$ 34,613         | \$ 34,613         | \$ -                                    | \$ 23,400         | \$ 23,400         | \$ -                                    |
| Local Sources:   |                   |                   |   |                   |                   |   |
| District Taxes   | 309,900           | 309,900           | -                                       | 309,900           | 309,900           | -                                       |
| Interest on Deposits & Investments                                   | 1,200             | 1,488             | 288                                     | 1,200             | 2,200             | 1,000                                   |
| Proceeds/Gain on Sale of Vehicle                                     | -                 | 750               | 750                                     | -                 | 920               | 920                                     |
| State Sources:   |                   |                   |   |                   |                   |   |
| Supplemental Fire Services Program                                   | -                 | 3,010             | 3,010                                   | -                 | 2,777             | 2,777                                   |
| Uniform Fire Safety Act  |                   |                   |   |                   |                   |   |
| Reserves   | 18,600            | 18,600            | -                                       | 21,000            | 21,000            | -                                       |
| Resgistration & Inspection Fees                                      | 29,200            | 30,550            | 1,350                                   | 30,000            | 33,802            | 3,802                                   |
| Fines and Penalties  | -                 | 750               | 750                                     | -                 | -                 | -                                       |
| <b>Total Revenues</b>  | <b>\$ 393,513</b> | <b>\$ 399,662</b> | <b>\$ 6,149</b>                         | <b>\$ 385,500</b> | <b>\$ 393,999</b> | <b>\$ 8,499</b>                         |
| <b>Expenditures:</b>   |                   |                   |   |                   |                   |   |
| Administration   |                   |                   |   |                   |                   |   |
| Salaries and Wages:  |                   |                   |   |                   |                   |   |
| Clerk/Accountant   | 9,600             | 9,600             | -                                       | 9,600             | 9,600             | -                                       |
| <b>Total Administration - Salaries &amp; Wages</b>                   | <b>9,600</b>      | <b>9,600</b>      | <b>-</b>                                | <b>9,600</b>      | <b>9,600</b>      | <b>-</b>                                |
| Other Expenses:  |                   |                   |   |                   |                   |   |
| Employee Benefits  | 1,575             | 372               | 1,203                                   | 2,075             | 1,457             | 618                                     |
| Elections  | 900               | 872               | 28                                      | 600               | 448               | 152                                     |
| Office Expenses  | 1,000             | 422               | 578                                     | 1,300             | 657               | 643                                     |
| Professional Services  | 8,000             | 6,713             | 1,287                                   | 6,200             | 7,085             | (885)                                   |
| <b>Total Administration - Other Expenses</b>                         | <b>11,475</b>     | <b>8,379</b>      | <b>3,096</b>                            | <b>10,175</b>     | <b>9,647</b>      | <b>528</b>                              |
| Cost of Operations   |                   |                   |   |                   |                   |   |
| Other Operating Expenses:  |                   |                   |   |                   |                   |   |
| Advertising, Dues, & Subscriptions                                   | 1,700             | 1,190             | 510                                     | 3,400             | 2,105             | 1,295                                   |
| Beverly Contract   | 249,938           | 249,938           | -                                       | 240,325           | 240,325           | -                                       |
| Insurance  | 4,000             | 3,804             | 196                                     | 4,000             | 3,910             | 90                                      |
| Rental Charges - Hydrant   | 61,000            | 60,855            | 145                                     | 63,800            | 59,024            | 4,776                                   |
| Training and Education   | 8,000             | 4,845             | 3,155                                   | 3,200             | 1,863             | 1,337                                   |
| SFSP Grant   | -                 | 3,010             | (3,010)                                 | -                 | -                 | -                                       |
| <b>Total Cost of Operations - Other Expenses</b>                     | <b>324,638</b>    | <b>323,642</b>    | <b>996</b>                              | <b>314,725</b>    | <b>307,227</b>    | <b>7,498</b>                            |
| Uniform Fire Safety Act  |                   |                   |   |                   |                   |   |
| Salaries   | 25,700            | 25,700            | (0)                                     | 24,200            | 23,850            | 350                                     |
| Employee Benefits  | 3,900             | 2,362             | 1,538                                   | 3,600             | 1,832             | 1,768                                   |
| Other Expenses   | 18,200            | 7,745             | 10,455                                  | 23,200            | 25,763            | (2,563)                                 |
| <b>Total Uniform Fire Safety Act</b>                                 | <b>47,800</b>     | <b>35,807</b>     | <b>11,993</b>                           | <b>51,000</b>     | <b>51,445</b>     | <b>(445)</b>                            |
| <b>Total Expenditures</b>  | <b>\$ 393,513</b> | <b>\$ 377,427</b> | <b>\$ 16,086</b>                        | <b>\$ 385,500</b> | <b>\$ 377,919</b> | <b>\$ 7,581</b>                         |
| Excess (Deficiency) of Revenues Over<br>( Under) Expenditures        | \$ -              | \$ 22,234         | \$ 22,234                               | \$ -              | \$ 16,080         | \$ 16,080                               |
| Reconciliation to GAAP Basis:  |                   |                   |   |                   |                   |   |
| Excess from above  | \$                | 22,234            |   | \$                | 16,080            |   |
| Less: Fund Balance Appropriated                                      |                   | (53,213)          |   |                   | (44,400)          |   |
| Excess of Revenues Over (Under)<br>Expenditures , Exhibit A-2 (GAAP) | \$                | (30,979)          |   | \$                | (28,320)          |   |

**Township of Edgewater Park Fire District No. 1  
Statement of 2008 Appropriation Reserves  
For the Year Ended December 31, 2010**

|  | Encumbered | Reserved | Totals   |
|--|------------|----------|----------|
| Balance - December 31, 2009                      | \$ -       | \$ 7,581 | \$ 7,581 |
| Decreased by:                                    |            |          |          |
| Paid in 2010                                     | -          | -        | -        |
| Lapsed and transfered to Unreserved Fund Balance | -          | 7,581    | 7,581    |
|  |            |          |          |
| Balance - December 31, 2010                      | \$ -       | \$ -     | \$ -     |

**OTHER SUPPLEMENTARY INFORMATION**

**Township of Edgewater Park Fire District No.1  
General Fund  
Comparative Balance Sheet  
As of December 31, 2010**

|   | 2010       | 2009       |
|---|------------|------------|
| <u>ASSETS</u>                               |            |            |
| Cash and Cash Equivalents                   | \$ 170,046 | \$ 192,526 |
| Accounts Receivable                         | -          | 2,776      |
| Total Assets                                | 170,046    | 195,302    |
| <br><u>LIABILITIES AND FUND BALANCE</u>     |            |            |
| Liabilities:                                |            |            |
| Accounts Payable                            | 12,353     | 7,324      |
| Reserve for State Unemployment              | 1,585      | 1,585      |
| Payroll Liabilities                         | 1,306      | 614        |
| Total Liabilities                           | 15,245     | 9,523      |
| Fund Balance:                               |            |            |
| Reserved:                                   |            |            |
| For Appropriation Reserves                  | 16,086     | 7,581      |
| Unreserved:                                 |            |            |
| Designated for Subsequent Year Expenditures | 44,392     | 34,613     |
| Undesignated                                | 94,323     | 143,584    |
| Total Fund Balance                          | 154,801    | 185,778    |
| Total Liabilities and Fund Balance          | \$ 170,045 | \$ 195,302 |

**Township of Edgewater Park Fire District No. 1**  
**General Fund**  
**Comparative Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**As of December 31, 2010**

|                                       | 2010           | 2009           |
|---------------------------------------|----------------|----------------|
| <u>REVENUES:</u>                      |                |                |
| Local Sources:                        |                |                |
| District Taxes                        | \$ 309,900     | \$ 309,900     |
| State Sources:                        |                |                |
| Supplemental Fire Services Program    | 3,010          | 2,777          |
| Miscellaneous Revenues:               |                |                |
| Interest on Deposits & Investments    | 1,488          | 2,200          |
| Proceeds/Gain on Sale of Vehicle      | 750            | 920            |
| Uniform Fires Safety Act              | 31,300         | 33,802         |
| <br>Total Revenues                    | <br>346,449    | <br>349,599    |
| <br><u>EXPENDITURES:</u>              |                |                |
| Operating Appropriations              |                |                |
| Salaries & Wages                      | 9,600          | 9,600          |
| Other Expenses                        | 332,021        | 316,874        |
| Uniform Fire Safety Act               |                |                |
| Salaries & Wages                      | 25,700         | 23,850         |
| Other Expenses                        | 10,107         | 27,595         |
| <br>Total Expenditures                | <br>377,427    | <br>377,919    |
| <br>Excess Expenditures over Revenues | <br>(30,979)   | <br>(28,319)   |
| <br>Fund Balance, January 1           | <br>185,779    | <br>214,098    |
| <br>Fund Balance, December 31         | <br>\$ 154,801 | <br>\$ 185,779 |

**STATISTICAL SECTION**

**Board of Fire Commissioners  
Township of Edgewater Park Fire District No. 1  
Statistical Information  
December 31, 2010**

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<br>Valuation | Total<br>Tax Levy | Property<br>Tax Levy |
|------|-----------------------|-------------------|----------------------|
| 2010 | \$ 307,677,410.00     | \$ 309,900.00     | 0.101                |
| 2009 | 310,325,085.00        | 309,900.00        | 0.100                |
| 2008 | 311,134,167.00        | 309,900.00        | 0.100                |
| 2007 | 310,588,619.00        | 309,900.00        | 0.100                |
| 2006 | 310,109,261.00        | 306,800.00        | 0.099                |
| 2005 | 311,021,411.00        | 301,050.00        | 0.097                |
| 2004 | 311,115,510.00        | 294,220.00        | 0.095                |
| 2003 | 297,095,888.00        | 259,570.00        | 0.099                |
| 2002 | 292,078,255.00        | 259,470.00        | 0.089                |
| 2001 | 290,011,091.00        | 255,492.00        | 0.089                |

Debt Service

The District has no debt issued or authorized at December 31, 2010.

Unreserved Fund Balance

General Fund:

| Fiscal Year<br>Ended | End of<br>Fiscal Year | Utilization<br>In Subsequent<br>Budget |
|----------------------|-----------------------|--|
| 2010                 | \$ 138,715            | 44,392                                 |
| 2009                 | 178,198               | 34,613                                 |
| 2008                 | 137,903               | 44,400                                 |
| 2007                 | 137,821               | 30,000                                 |
| 2006                 | 145,282               | 20,750                                 |
| 2005                 | 108,685               | 6,500                                  |
| 2004                 | 108,950               | 1,000                                  |
| 2003                 | 69,039                | 500                                    |
| 2002                 | 66,351                | 7,800                                  |
| 2001                 | 49,074                | 2,500                                  |

**OTHER**

EDGEWATER PARK FIRE DISTRICT NO. 1

FINDINGS AND RESPONSES

DECEMBER 31, 2010

I have audited the financial statements of the Edgewater Park Fire District No. 1 as of and for the year ended December 31, 2010. In accordance with the requirements of *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, I present for your review and consideration the following findings.

**Finding: 2010-01**

Payroll

Criteria

Withholding rates for unemployment and family leave insurance should agree to the required rates of .425% and .12%.

Condition

The correct unemployment and family leave insurance amounts were not withheld from the employees.

Effect

Failure to properly withhold the correct amounts causes the District to use its own funds.

Cause

Oversight.

Recommendation

Employee withholding rates for unemployment and family leave insurance should be adjusted to the required rates.

**Finding: 2010-02**

Budget

Criteria

Grant funds should not be expended prior to inclusion in the annual budget.

Condition

The Supplemental Fire Services Grant of \$3,010 was expended in 2010 but was not budgeted.

Effect

Noncompliance with regulations.

Cause

Oversight.

Recommendation

Grant funds should be budgeted in accordance with regulations.

**View of Responsible Officials**

The Treasurer is in agreement with the above finding.

**Summary of Prior of Year Findings/Recommendations**

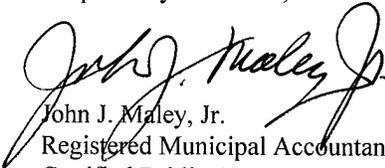
Prior year findings were corrected.

**Acknowledgment**

I desire to express my appreciation of the assistance and courtesies rendered by the District officials and employees during the course of the audit.

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

Respectfully submitted,

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

June 10, 2011