

BOROUGH OF EDGEWATER

Schedule of 2009 Appropriation Reserves

Current Fund

Year ended December 31, 2010

<u>Description</u>	Balance Dec. 31, <u>2009</u>	Balance after Encumbrances and <u>Transfers</u>	<u>Paid or charged</u>	Balance <u>lapsed</u>
Salaries and wages				
Legal	\$ 30	30		30
Administrative and Executive	14,888	14,889		14,889
Mayor and Council	2,117	2,117		2,117
Elections	3,500	3,500		3,500
Assessment of Taxes	1,066	1,066		1,066
Collection of taxes	4,684	4,684		4,684
Zoning Board	258	258		258
Planning Board	258	258		258
Housing Inspections	778	778		778
Rent Leveling Board	58	58		58
Recycling	954	954		954
Fire	55,088	55,088		55,088
Volunteer First Aid Corps	5,521	5,521		5,521
Police	29,269	9,269	560	8,709
Road repairs and maintenance	3,420	3,420		3,420
Board of Health	18,742	742		742
Administration of Public Assistance	20	20		20
Recreation	19,442	442		442
Municipal Court	4,282	4,282		4,282
State uniform construction code official	25,467	25,467		25,467
Other expenses:				
Administrative and Executive	40,225	49,610	29,611	19,999
Elections	12,162	12,162		12,162
Financial Administration	2,000	10,650	10,650	
Collection of Taxes	2,483	2,483	501	1,982
Assessment of Taxes	5,796	5,796	190	5,606
Consultant and legal fees- tax appeals	3,371	10,401	10,401	
Legal services	34,135	34,135	21,503	12,632
Engineering service and cost	22,851	22,851	6,911	15,940
Public building and grounds	22,061	22,388	11,375	11,013
Zoning Board	5,986	6,136	2,330	3,806
Planning Board	8,714	8,714	734	7,980
Rent Leveling Board	1,656	1,656	625	1,031
Housing Inspections	500	500		500
Fire	4,640	26,061	26,060	1
Fire hydrant services	9,476	19,504	19,503	1
Fire Prevention	2,198	3,160	962	2,198
Volunteer First Aid Corps	4,650	4,911	651	4,260

BOROUGH OF EDGEWATER

Schedule of 2009 Appropriation Reserves

Current Fund

Year ended December 31, 2010

<u>Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance after Encumbrances and Transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Police	55,570	51,564	18,329	33,235
Automobiles	48,500	58,388	28,288	30,100
Emergency management services	1,400	1,400		1,400
Road repairs and maintenance	466	16,637	16,507	130
Snow removal	13,990	13,990	4,321	9,669
Board of Health	873	1,496	1,495	1
Dog Regulation	83	156	156	
Administration of Public Assistance	37	37		37
Emergency Assistance	455	455		455
Parks and Playgrounds	6,336	6,336		6,336
Recreation	10,583	12,062	9,147	2,915
Celebration of public events	14,513	14,513	2,880	11,633
Senior Citizens Committee	1,250	1,250		1,250
Garbage and Trash removal	60,795	60,795	56,257	4,538
Municipal Court	2,107	2,231	125	2,106
Occupational Safety-Health	265	281	280	1
State uniform construction code official	13,594	15,640	2,252	13,388
Gas and Electric	22,431	23,158	15,973	7,185
Street Lighting	15,333	23,361	23,361	
Water	2,093	3,699	3,699	
Fuel	29,056	38,245	38,245	
Telephone	25,220	30,453	10,761	19,692
Unemployment Compensation Insurance	2,500	2,500	1,866	634
Social Security	1	1		1
Maintenance of free public library	180,627	180,627	30,511	150,116
Hospitalization	12,216	13,112	1,742	11,370
Other Insurance Premiums	1	1		1
Consolidated Police and Firemans Retirement System	1	1		1
Bergen County Utilities Share of Costs	7	7		7
TOTAL	\$ 893,049	946,357	408,762	537,595
		Encumbrances \$ 53,308		
		Appropriation Reserves 893,049		
		\$ 946,357		

BOROUGH OF EDGEWATER
Schedule of Reserve for Encumbrances

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$	53,308
Increased by:		
Encumbrances		159,222
		212,530
Decreased by:		
Transferred to appropriation reserves		53,308
Balance - December 31, 2010	\$	159,222

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$	43,893
Increased by:		
Overpayments received		197,387
		241,280
Decreased by:		
Overpayments cancelled	105,321	
Overpayments refunded	103,856	
		209,177
Balance - December 31, 2010	\$	32,103

Exhibit A-15

BOROUGH OF EDGEWATER

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$	129,300
Increased by:		
2011 prepaid taxes collected		<u>146,936</u>
		276,236
Decreased by:		
Taxes realized as revenue		<u>129,300</u>
Balance - December 31, 2010	\$	<u><u>146,936</u></u>

Exhibit A-16

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

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$	50
Increased by:		
Cash Receipts		<u>1,200</u>
		1,250
Decreased by:		
Disbursements		<u>1,000</u>
Balance - December 31, 2010	\$	<u><u>250</u></u>

BOROUGH OF EDGEWATER
Schedule of Property Acquired for Taxes-
Assessed Valuation

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ <u>3,844,775</u>
Balance - December 31, 2010	\$ <u><u>3,844,775</u></u>

Schedule of Reserve for
Tax Title Lien Premium

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ 53,700
Increased by:	
Premiums collected	<u>9,500</u>
Balance - December 31, 2010	\$ <u><u>63,200</u></u>

BOROUGH OF EDGEWATER

Schedule of Interfunds

Current Fund

Year ended December 31, 2010

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2010</u>
Escrow Trust Fund	\$ 9	18	9	18
General Capital Fund	<u>3,539</u>	<u>3,593</u>	<u>103,539</u>	<u>(96,407)</u>
	<u>\$ 3,548</u>	<u>3,611</u>	<u>103,548</u>	<u>(96,389)</u>
 <u>Analysis</u>				
Due to Current Fund	\$ 3,548			18
Due From Current Fund				<u>(96,407)</u>
	<u>\$ 3,548</u>			<u>(96,389)</u>
 Interest on Investments \$ 18				
Disbursements 3,593				
Receipts <u>103,548</u>				
		<u>\$ 3,611</u>	<u>103,548</u>	

BOROUGH OF EDGEWATER

Schedule of Various Reserves

Current Fund

Year ended December 31, 2010

	Balance Dec. 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2010</u>
Playgrounds	\$ 2,481			2,481
Library Aid	14,756	2,914	2,286	15,384
Parking Offenses Adjudication Account	6,050			6,050
Community Center	18,730			18,730
Developer's Contribution	1,825			1,825
Revaluation	56,743			56,743
BCUA Grant	17,608			17,608
Ferry Agreement	20,000			20,000
Donations	17,425			17,425
Sale of Municipal Assets	1,091			1,091
Arts Festival	1,513			1,513
Centennial	890			890
	<u>\$ 159,112</u>	<u>2,914</u>	<u>2,286</u>	<u>159,740</u>
		Cash Receipts 2,914		
		Cash Disbursements	2,286	
		<u>\$ 2,914</u>	<u>2,286</u>	

BOROUGH OF EDGEWATER

Schedule of Due to Federal and State Grant Fund

Current Fund

Year ended December 31, 2010

Balance - December 31, 2009		\$	423,755
Increased by:			
Grants Receivable Cancelled	\$	120,648	
Grants Received - Unappropriated		<u>16,720</u>	
			<u>137,368</u>
			561,123
Decreased by:			
Appropriated Reserves Cancelled	\$	343,619	
Cash Disbursements		<u>170,256</u>	
			<u>513,875</u>
Balance - December 31, 2010		\$	<u><u>47,248</u></u>

BOROUGH OF EDGEWATER

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2010

	<u>Added in 2010</u>	<u>Raised in 2010 Budget</u>	<u>Balance, Dec. 31, 2010</u>
Emergency Authorization	\$ 100,000	_____	100,000
	<u>\$ 100,000</u>	<u>_____</u>	<u>100,000</u>

BOROUGH OF EDGEWATER

N.J.S.A. 40A:4-53 Special Emergency

Current Fund

Year ended December 31, 2010

<u>Date</u>	<u>Purpose</u>	<u>Net</u>	<u>1/5 of</u>	<u>Balance</u>	<u>Reduced</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Amount</u>	<u>Net Amount</u>	<u>Dec. 31,</u>	<u>in 2010</u>	<u>Dec. 31,</u>
		<u>Authorized</u>	<u>Authorized</u>	<u>2009</u>		<u>2010</u>
2010	Reassessment of Real Property	\$ 80,000	16,000			80,000
2010	Termination Pay	155,000	31,000			155,000
2007	Revaluation	60,000	12,000	24,000	12,000	12,000
		<u>\$ 295,000</u>	<u>59,000</u>	<u>24,000</u>	<u>12,000</u>	<u>247,000</u>

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

State and Federal Grant Fund

Year ended December 31, 2010

<u>Purpose</u>	Balance, Dec. 31, <u>2009</u>	Grants <u>awarded</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2010</u>
Supplemental Safe Neighborhoods Program	\$ 21,650			21,650	
Supplemental Fire Services Program	2,544			2,544	
Clean Communities	5,999			5,999	
Municipal Alliance Grant	9,655	12,066	12,066	9,655	
Community Development Block Grant	70,000			70,000	
Community Affairs - ADA Compliance Grant Fire Operations and Safety	10,800			10,800	
	<u>\$ 120,648</u>	<u>12,066</u>	<u>12,066</u>	<u>120,648</u>	

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2010

<u>Purpose</u>	Balance, Dec. 31, <u>2009</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2010</u>
Supplemental Fire Services Program	\$ 2,168		2,168	
Drunk Driving Enforcement Fund 1994-1995	2,549		2,549	
Drunk Driving Enforcement Fund	1,456		1,456	
DOT - Pothole Program	5,725		5,725	
Drunk Driving Enforcement Fund 1995-1996	693		693	
Alcohol Education and Rehabilitation 1995-1996	453		453	
EDA Grant	84,018		84,018	
EDA Grant	123,691		123,691	
Drunk Driving Enforcement Fund	3,236		3,236	
Clean Communities Grant	976		976	
Clean Communities Grant 1997-1998	3,077	3,077		
Alcohol Education and Rehabilitation	791		791	
Community Development Block Grant	15,498		15,498	
Body Armor Grant	2,463		2,463	
Drunk Driving Enforcement Fund	580		580	
Emergency Medical Grant	3,000		3,000	
Universal COPS	121,963	121,963		
Clean Communities	9,360	9,357	3	
Clean Communities	3,078		3,078	
Drunk Driving Enforcement Fund	453		453	
Green Communities	2,000		2,000	
Body Armor Grant	5,976		5,976	
Domestic Violence	2,180		2,180	
Clean Communities	4,483	3,940	543	
Clean Communities	4,019		4,019	
Municipal Stormwater	6,936		6,936	
COPS More - Technology Grant	31,483	30,835	648	
Federal BulletProof Vest Partnership Program	3,649		3,649	
Body Armor Grant	2,802		2,802	

BOROUGH OF EDGEWATER
Schedule of Appropriated Grant Reserves
State and Federal Grant Fund
Year ended December 31, 2010

<u>Purpose</u>	Balance, Dec. 31, <u>2009</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2010</u>
Community Affairs - ADA Compliance Grant				
Fire Operations and Safety	13,189		13,189	
BCUA Recycling Grant	5,733	1,084	4,649	
Recycling Grant - NJ Solid Waste Administration	11,907		11,907	
U.S.Department of Justice	2,078		2,078	
Smart Growth Grant	25,000		25,000	
BCUA Recycling Grant	2,639		2,639	
Alcohol Education and Rehabilitation	4,574		4,574	
	<u>\$ 513,876</u>	<u>170,256</u>	<u>343,620</u>	

BOROUGH OF EDGEWATER

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year ended December 31, 2010

<u>Purpose</u>	Balance, Dec. 31, <u>2009</u>	<u>Received</u>	Balance, Dec. 31, <u>2010</u>
Clean Communities	\$ 12,136	12,620	24,756
Body Armor Grant	3,108	2,944	6,052
Recycling Tonnage Grant	14,216		14,216
Alcohol Education Rehabilitation Fund	1,067	1,157	2,224
	<u>\$ 30,527</u>	<u>16,721</u>	<u>47,248</u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2010

	Animal License Fund	Escrow Trust Fund	Other Trust Funds	Emergency Services LOSAP
Balance - December 31, 2009	\$ <u>58</u>	<u>115,761</u>	<u>3,007,418</u>	<u>494,777</u>
Increased by:				
Animal License Fees	2,928			
Due to State of New Jersey - Dog License Fees	428			
Various Reserves			95,660	
Escrow Deposits		148,567		
Interfunds				
Borough Contributions				77,050
Investment Income		18		28,471
	<u>3,356</u>	<u>148,585</u>	<u>95,660</u>	<u>105,521</u>
	<u>3,414</u>	<u>264,346</u>	<u>3,103,078</u>	<u>600,298</u>
Decreased by:				
Animal License Expenditures	2,800			
Due to State of New Jersey	428			
Escrow Deposits Returned		172,041		
Interfunds		9		
Various Reserves			752,875	
Distributions				7,294
	<u>3,228</u>	<u>172,050</u>	<u>752,875</u>	<u>7,294</u>
Balance -December 31, 2010	\$ <u><u>186</u></u>	<u><u>92,296</u></u>	<u><u>2,350,203</u></u>	<u><u>593,004</u></u>

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

Trust Funds

Year ended December 31, 2010

Balance - December 31, 2009	\$	21
Increased by:		
Dog license fees	\$	1,795
Cat license fees		639
Miscellaneous fees		494
		2,928
		2,949
Decreased by:		
Paid to Current Fund		2,800
Balance -December 31, 2010	\$	149

<u>License Fees Collected</u>		
	2008	1,877
	2009	2,047
	\$	3,924

BOROUGH OF EDGEWATER
Schedule of Due to State of New Jersey-
Animal License Fees

Trust Funds

Year ended December 31, 2010

Balance - December 31, 2009	\$	37
Increased by:		
2010 Fees Collected		428
		465
Decreased by:		
Payments to State of New Jersey		428
Balance -December 31, 2010	\$	37

Schedule of Reserve Escrow Deposits

Trust Funds

Year ended December 31, 2010

Balance - December 31, 2009	\$	115,752
Increased by:		
Escrow Deposits		148,567
		264,319
Decreased by:		
Escrow Deposits Refunded		172,041
Balance -December 31, 2010	\$	92,278

BOROUGH OF EDGEWATER

**Schedule of Interfunds
Trust Funds**

Year ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2010</u>
Escrow Trust Fund:				
Current Fund	<u>(9)</u>	<u>9</u>	<u>18</u>	<u>(18)</u>
	\$ <u>(9)</u>	<u>9</u>	<u>18</u>	<u>(18)</u>
		Disbursements 9		
		Interest on Investments <u> </u>	<u>18</u>	
		\$ <u>9</u>	<u>18</u>	

BOROUGH OF EDGEWATER

Schedule of Miscellaneous Reserves

Trust Funds

Year ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2010</u>
Reserve for:				
Cemetary Bequests	\$ 30,897			30,897
Bullet Proof Vests	5,427	2,556	2,550	5,433
Ferry Performance Security	194,359	425		194,784
Fire Prevention	10,221	5,411		15,632
Edgewater Cares	2,424	6		2,430
Cultural and Historical Society	1,361	4	225	1,140
Regional Contribution Assistance	332,197			332,197
Council on Affordable Housing	1,557,534	569	447,863	1,110,240
Open Space Trust	790,911	1,836	291,319	501,428
Recycling Fees	82,087	52,937	3,198	131,826
Bergen County CDA Trust		100		100
Municipal Alliance Trust		31,816	7,720	24,096
	<u>\$ 3,007,418</u>	<u>95,660</u>	<u>752,875</u>	<u>2,350,203</u>

BOROUGH OF EDGEWATER
Statement of Service Award Contributions Receivable
Emergency Services Length of Service Award Program
Year ended December 31, 2010

Balance - December 31, 2009	\$	77,050
Increased by:		
2010 Borough Contribution		<u>77,050</u>
		154,100
Decreased by:		
2009 Borough Contribution received		<u>77,050</u>
Balance -December 31, 2010	\$	<u><u>77,050</u></u>

Statement of Net Assets Available for Benefits
Emergency Services Length of Service Award Program
Year ended December 31, 2010

Balance - December 31, 2009	\$	571,827
Increased by:		
Borough Contributions	\$	77,050
Investment Income		<u>28,471</u>
		<u>105,521</u>
		677,348
Decreased by:		
Distributions		<u>7,294</u>
Balance -December 31, 2010	\$	<u><u>670,054</u></u>

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2010

Balance - December 31, 2009		\$ 4,193,469
<hr/>		
Increased by receipts:		
Capital Improvement Fund	\$ 75,000	
Bond Anticipation Notes	7,146,000	
NJ EIT Loan	1,102,460	
Community Development Block Grants	127,585	
Unappropriated Grant	79,408	
Reserve for Green Acres	824	
Due from Current Fund	3,593	
Premium on Sale of Notes	<u>47,449</u>	
		<u>8,582,319</u>
		12,775,788
Decreased by disbursements:		
Improvement Authorizations	1,795,903	
Overexpenditure of Ordinance	1,360	
Bond Anticipation Notes	6,866,000	
Reserve for Payment of Debt	204,028	
Due from Current Fund	<u>3,539</u>	
		<u>8,870,830</u>
Balance - December 31, 2010		<u>\$ 3,904,958</u>

BOROUGH OF EDGEWATER
Schedule of General Capital Fund Cash
General Capital Fund
Year ended December 31, 2010

Grants Receivable -		
Community Development Block Grant		\$ (243,670)
New Jersey Department of Transportation		(294,508)
Bergen County Open Space Trust Fund		(41,250)
Bergen County Historic Preservation Trust		(145,000)
Green Acres Program		(382,445)
Livable Communities		(5,375)
Department of Justice - COPS Technology Grant		(500,000)
Wasterwater Trust Fund Receivable		(928,139)
Due from Current Fund		(96,407)
Capital Improvement Fund		285,143
Reserve for Green Acres		9,428
Reserve for Payment of Debt		1,483,579
Unappropriated State Grant		79,408
Overexpenditure of Ordinance #1399		(1,360)
Fund Balance		59,800
Bond Anticipation Notes Funded		
Improvement authorizations:		
Ordinance		
<u>number</u>	<u>Improvement description</u>	
967	Various improvements	(164)
1262	Pension Refunding	(2,681)
1299	Various Capital Improvements	282,226
1325	Various Capital Improvements	(709)
1326	Various Capital Improvements	944,194
1357	Acquisition of Municipal Complex/Police Station	(980,305)

BOROUGH OF EDGEWATER

Schedule of General Capital Fund Cash

General Capital Fund

Year ended December 31, 2010

1359	Dissolution of Edgewater MUA	(2,172)
1365	Various Capital Improvements	31,640
1366	Separation of Combined Sewers	277,262
1372/1382	Dredging of Edgewater Marina	225,009
1381/1387	Various Capital Improvements	1,295,557
1398	Acq./Installation of Marina Clock	40,192
1401	Undercliff Ave. Streetscape	91,080
1407	Barrier Free Improvements-River Road	65,421
1413	Refunding Bond Ordinance	(56,570)
1418	Sewer Repairs	(25,965)
1420	Sanitary Sewer Repairs	464,771
1423	Improvements to Undercliff Avenue	165,366
1426	Acquisition of various equipment for new municipal comple	317,980
1438	Drainage Improvements, Old River Road	193,278
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	2,203
1446	Various Acquisitions and Improvements	1,298,141
		<u>\$ 3,904,958</u>

BOROUGH OF EDGEWATER

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

General Capital Fund

Year ended December 31, 2010

Balance - December 31, 2009		\$ 19,901,059
Increased by:		
Issuance of EIT Loans		<u>505,000</u>
		20,406,059
Decreased by:		
Infrastructure Loan Payments	\$ 207,796	
Green Trust Loan Payments	17,471	
Capital Lease Payments	14,000	
Paid via Budget Appropriation		
Serial Bonds	<u>880,000</u>	
		<u>1,119,267</u>
Balance - December 31, 2010		\$ <u><u>19,286,792</u></u>

BOROUGH OF EDGEWATER
Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Balance, Dec. 31, 2009	2010 Authorizations	Transferred to Def. Charges Funded	Authorizations Canceled	Balance, Dec. 31, 2010	Bond anticipation notes	Analysis of balance	
								Expenditures	Unexpended improvement authorization
967	Various improvements	\$ 164				164		164	
1262	Pension Refunding	2,681				2,681		2,681	
1285	Various Capital Improvements	2,556			2,556				
1325	Various Capital Improvements	709				709		709	
1357	Acquisition of Municipal Complex/Police Station	5,400,000				5,400,000		980,305	4,419,695
1359	Dissolution of the Edgewater Municipal Utilities Authority	78,860				78,860		2,172	76,688
1365	Various Capital Improvements	700				700	700		
1366	Separation of Combined Sewers	748,519				748,519			748,519
1372/1382	Dredging of Marina	4,800,000				4,800,000	4,799,300		700
1381/1387	Various Capital Improvements	1,942,750				1,942,750	1,942,500		250
1407	Barrier Free Improvements-River Road	123,500				123,500	123,500		
1413	Refunding Bond Ordinance	340,000				340,000		56,570	283,430
1418	Sewer Repairs	725,000				725,000		25,965	699,035
1420	Sanitary Sewer Repairs	550,000		505,000		45,000		14,467	30,533
1423	Improvements to Undercliff Avenue	42,750				42,750	42,500		250
1426	Acquisition of various equipment for new municipal complex	237,500				237,500	237,500		
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)		107,350			107,350			107,350
		<u>\$ 14,995,689</u>	<u>107,350</u>	<u>505,000</u>	<u>2,556</u>	<u>14,595,483</u>	<u>7,146,000</u>	<u>1,083,033</u>	<u>6,366,450</u>
	Authorizations		<u>107,350</u>						
		\$	<u>107,350</u>						

Improvement authorizations - unfunded \$ 8,232,437

Less: Unexpended proceeds of Bond Anticipation Notes
 Ord. 1372/1382 225,009
 Ord. 1381/1387 1,295,557
 Ord. 1407 65,421
 Ord. 1423 42,500
 Ord. 1426 237,500

1,865,987
 \$ 6,366,450

BOROUGH OF EDGEWATER
Schedule of Infrastructure Loans Receivable
New Jersey Department of Environmental Protection

General Capital Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ 1,525,599
Increased by:	
Loan Awards	<u>505,000</u>
	2,030,599
Decreased by:	
Receipts	<u>1,102,460</u>
Balance - December 31, 2010	\$ <u><u>928,139</u></u>

Analysis of Balance

Prior Years	53,732
Trust Loan (2007)	119,481
Fund Loan (2007)	249,926
Trust Loan (2010)	245,000
Fund Loan (2010)	<u>260,000</u>
	\$ <u><u>928,139</u></u>

Schedule of Grants Receivable -
State of New Jersey Green Acres Program

General Capital Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ 382,445
Balance - December 31, 2010	\$ <u><u>382,445</u></u>

Analysis of Balance

Ord. 1326 - Imps. To Veteran's Field	\$ <u><u>382,445</u></u>
--------------------------------------	--------------------------

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
New Jersey Department of Transportation
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	106,367
Increased by:		
Grant Awards		200,000
		306,367
Decreased by:		
Canceled		11,859
Balance - December 31, 2010	\$	294,508

<u>Analysis of Balance</u>		
Ord. 1381/1387 Reconstruction of North Street		94,508
Ord. 1438 Drainage Imps. Old River Road		200,000
	\$	294,508

Schedule of Grants Receivable -
Bergen County Open Space Trust Fund
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	41,873
Decreased by:		
Canceled		623
Balance - December 31, 2010	\$	41,250

<u>Analysis of Balance</u>		
Ord. 1398 - Installation of Marina Clock	\$	41,250

BOROUGH OF EDGEWATER
Schedule of Grants Receivable -
Bergen County Historic Preservation Trust
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$ 145,000
Balance - December 31, 2010	\$ <u>145,000</u>
<u>Analysis of Balance</u>	
Ord. 1381/1387 - Rehabilitation of Borough Hall, Phase I	<u>145,000</u>
	\$ <u>145,000</u>

BOROUGH OF EDGEWATER

Schedule of Community Development Block Grant Receivables

General Capital Fund

Year ended December 31, 2010

Balance - December 31, 2009		\$	378,325
Decreased by:			
Canceled	\$	7,070	
Cash Receipts		<u>127,585</u>	
			<u>134,655</u>
Balance - December 31, 2010		\$	<u><u>243,670</u></u>

Analysis of Balance

Ord. 1401 Undercliff Ave. Streetscape	47,444
Ord. 1381/1387 Improvements to Undercliff Ave.	65,402
Ord. 1423 Reconstruction of Undercliff Ave.	30,824
Ord. 1423 Undercliff Ave. Streetscape	<u>100,000</u>
	\$ <u><u>243,670</u></u>

BOROUGH OF EDGEWATER
Schedule of Due from/(to) Current Fund
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	(3,539)
Increased by:		
Grant Received in Current	\$	100,000
Cash Disbursement		<u>3,539</u>
		<u>103,539</u>
		100,000
Decreased by:		
Cash Receipts		<u>3,593</u>
Balance - December 31, 2010	\$	<u><u>96,407</u></u>

BOROUGH OF EDGEWATER
Schedule of Overexpenditure of Ordinance Appropriation
General Capital Fund
Year ended December 31, 2010

Increased by:	
Overexpenditure of Ord. 1399	\$ <u>1,360</u>
Balance - December 31, 2010	\$ <u><u>1,360</u></u>

BOROUGH OF EDGEWATER
Schedule of New Jersey Environmental
Infrastructure Loan Payable
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009		\$ 3,485,623
Increased by:		
Loans issued		<u>505,000</u>
		3,990,623
Decreased by:		
Paid via Budget Appropriation		<u>207,796</u>
Balance - December 31, 2010		<u><u>\$ 3,782,827</u></u>

<u>Analysis of Balance</u>		
Infrastructure Trust Loan -		
Series 2000		570,000
Series 2001		85,000
Series 2007		575,000
Series 2010		245,000
Infrastructure Fund Loan -		
Series 2000		451,427
Series 2001		73,104
Series 2007		1,523,296
Series 2010		<u>260,000</u>
		<u><u>\$ 3,782,827</u></u>

BOROUGH OF EDGEWATER
Schedule of Green Trust Loan Payable
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$ 374,436
Decreased by:	
Paid via Budget Appropriation	<u>17,471</u>
Balance - December 31, 2010	<u>\$ 356,965</u>

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2010

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2009	Decreased	Balance, Dec. 31, 2010
			Date	Amount				
General obligation bonds	Jun. 1, 2004	9,190,000	Jun. 1, 2011	250,000	4.25%	8,415,000	225,000	8,190,000
			Jun. 1, 2012	285,000	4.25%			
			Jun. 1, 2013	300,000	4.25%			
			Jun. 1, 2014	825,000	4.25%			
			Jun. 1, 2015	850,000	4.25%			
			Jun. 1, 2016	900,000	4.25%			
			Jun. 1, 2017	930,000	4.30%			
			Jun. 1, 2018	940,000	4.30%			
			Jun. 1, 2019	960,000	4.30%			
			Jun. 1, 2020	970,000	4.30%			
			Jun. 1, 2021	980,000	4.30%			
Refunding Bonds	Jun. 30, 2009	2,460,000	Aug. 15, 2011	650,000	3.00%	2,315,000	655,000	1,660,000
			Aug. 15, 2012	670,000	3.00%			
			Aug. 15, 2013	50,000	3.00%			
			Aug. 15, 2014	125,000	4.00%			
			Aug. 15, 2015	165,000	4.00%			

BOROUGH OF EDGEWATER

Schedule of Serial Bonds

General Capital Fund

Year ended December 31, 2010

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2009	Balance, Dec. 31, 2010
			Date	Amount			
General Obligation Bonds	Jun. 30, 2009	4,884,000	Aug. 15, 2011	25,000	3.00%	4,884,000	4,884,000
			Aug. 15, 2012	25,000	4.00%		
			Aug. 15, 2013	90,000	4.00%		
			Aug. 15, 2014	380,000	4.00%		
			Aug. 15, 2015	450,000	4.00%		
			Aug. 15, 2016	100,000	4.00%		
			Aug. 15, 2017	125,000	5.00%		
			Aug. 15, 2018	150,000	5.00%		
			Aug. 15, 2019	175,000	4.50%		
			Aug. 15, 2020	225,000	4.50%		
			Aug. 15, 2021	235,000	4.00%		
			Aug. 15, 2022	960,000	5.00%		
		Aug. 15, 2023	960,000	5.00%			
		Aug. 15, 2024	984,000	4.00%			
						<u>\$ 15,614,000</u>	<u>14,734,000</u>
						<u>880,000</u>	

BOROUGH OF EDGEWATER
Schedule of Capital Leases Payable
General Capital Fund
Year ended December 31, 2010

Purpose	Date of issue	Original issue	Maturities of lease payments outstanding		Interest rate	Balance, Dec. 31, 2009	Decreased	Balance, Dec. 31, 2010
			Date	Amount				
Refund of unfunded pension liability	Mar. 15, 2003	1,083,000	Mar. 15, 2011	17,000	5.00%	427,000	14,000	413,000
			Mar. 15, 2012	20,000	5.00%			
			Mar. 15, 2013	24,000	5.25%			
			Mar. 15, 2014	27,000	4.70%			
			Mar. 15, 2015	31,000	4.75%			
			Mar. 15, 2016	36,000	4.80%			
			Mar. 15, 2017	40,000	4.85%			
			Mar. 15, 2018	46,000	4.90%			
			Mar. 15, 2023	172,000	5.35%			
						\$ 427,000	14,000	413,000

BOROUGH OF EDGEWATER
Schedule of Reserve for Grants Receivable
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	11,859
Decreased by:		
Grants Canceled		11,859
Balance - December 31, 2010	\$	_____

Schedule of Reserve for Payment of Debt
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	951,570
Increased by:		
Canceled Ordinances		736,037
		1,687,607
Decreased by:		
Disbursements		204,028
Balance - December 31, 2010	\$	1,483,579

Analysis of Balance

Ord. 1285		
Ord. 1325		
Ord. 1381/1387	382,565	
Ord. 1365	700	
Ord. 1366	88,120	
Ord. 1372	214,745	
Ord. 1407	61,411	
Ord. 1226, 1272, 1327	736,038	
	\$	1,483,579

BOROUGH OF EDGEWATER
Schedule of Reserve for Green Acres
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	8,604
Increased by:		
Interest Earned on Investments		824
Balance - December 31, 2010	\$	9,428

Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	215,793
Increased by:		
2010 Budget Appropriations		75,000
		290,793
Decreased by:		
Appropriated to Finance Improvement Authorizations		5,650
Balance - December 31, 2010	\$	285,143

BOROUGH OF EDGEWATER
Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Ordinance date	Balance, Dec. 31, 2009		Amount	2010 Authorizations		Canceled	Expended	Balance, Dec. 31, 2010	
			Funded	Unfunded		Funded	Unfunded			Funded	Unfunded
1184	Various Improvements	Mar. 27, 2000	151,165		606,000			151,165			
1223	Various Improvements	Dec. 3, 2001	27,017		185,000			27,017			
1226	Acquisition of Grand Cove Marina	Apr. 15, 2002	233,649		2,325,000			233,649			
1227	Various Improvements	Mar. 4, 2002	2,733		1,320,500			2,733			
1258	Reconstruction of Fire House	Dec. 16, 2002	226,453		5,500,000			226,453			
1272	Grand Cove Marina	Apr. 21, 2003	306,347		2,400,000			306,347			
1285/1304	Various Capital Improvements	Oct. 20, 2003	251,344	2,556	368,544			253,900			
1299	Various Capital Improvements	May 17, 2004	709,900		709,900				3,127	282,226	
1306	Various Capital Projects	Sept. 20, 2004	261,930		261,930			3,144			
1315	Acquisition of Three Buses	May 16, 2005	200,000		200,000			2,063			
1316	Various Capital Improvements	Jun. 20, 2005	100,550		100,550			307			
1326	Various Capital Improvements	Nov. 21, 2005	946,618		1,627,000			196,042	2,424	944,194	
1327	Grand Cove Marina	Dec. 5, 2005	9,500,000		9,500,000			196,042			
1343	Improvements to Various streets and Roads	June 19, 2006	255,000		255,000			3,084			
1357	Acquisition of Municipal Complex/Police Station	Feb. 20, 2007	5,500,000	4,834,494	5,500,000			3,084	414,799	4,419,695	
1359	Dissolution of the Edgewater Municipal Utilities Authority	Feb. 20, 2007	1,537,170	76,688	1,537,170			76,688			
1365	Various Capital Improvements	June 18, 2007	155,000		155,000				945	31,640	76,688
1366	Separation of Combined Sewers	June 18, 2007	506,348		3,100,000				229,086	277,262	748,519
1372/1382	Dredging of Edgewater Marina	Dec. 27, 2007	4,800,000		4,800,000			226,654	945	225,709	748,519
1381/1387	Various Capital Improvements	Mar. 18, 2008	73,877		3,060,000				340,820	1,295,807	225,709
1398	Acq./Installation of Marina Clock	Dec. 15, 2008	41,250		41,250			1,562,750			1,295,807
1399	Security and Communications Upgrades	Dec. 15, 2008	215,000		215,000				213,640	40,192	
1401	Undercliff Ave. Streetscape	Feb. 17, 2009	100,000		100,000				8,018	91,080	
1407	Barrier Free Improvements-River Road	Mar. 16, 2009	130,000		130,000				945		65,421
1413	Refunding bond Ordinance	May 18, 2009	2,800,000		2,800,000				10,058		283,430
1418	Sewer Repairs	June 15, 2009	725,000		725,000				19,102		699,035
1420	Sanitary Sewer Repairs	Sept. 21, 2009	55,000		55,000				25,762	479,238	30,533
1423	Improvements to Undercliff Avenue	Aug. 10, 2009	303,408		303,408				84,315	122,866	42,750
1426	Acquisition of various equipment for new municipal complex	Aug. 10, 2009	750,000		750,000				430,889	80,480	237,500
1438	Drainage Improvements, Old River Road	Sept. 20, 2010	200,000		200,000		200,000		6,722	193,278	
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)	Sept. 20, 2010	113,000		113,000		113,000		3,447	2,203	107,350
1446	Various Acquisitions and Improvements	Oct. 18, 2010	1,299,000		1,299,000		1,299,000		859	1,298,141	
			\$ 4,319,609	9,345,435	\$ 4,319,609	9,345,435	1,612,000	1,405,904	1,795,903	3,842,800	8,232,437

Capital Improvement Fund	5,650
Grants	200,000
Capital Surplus	1,299,000
Deferred Charges Unfunded	107,350
Total	\$ 1,612,000

BOROUGH OF EDGEWATER
Schedule of Unappropriated Grant
General Capital Fund
Year ended December 31, 2010

Increased by:	
Receipts	\$ <u>79,408</u>
Balance - December 31, 2010	\$ <u><u>79,408</u></u>

BOROUGH OF EDGEWATER

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Balance, Dec. 31, 2009	2010 Authorizations	Decreased by:	Balance, Dec. 31, 2010
967	Various improvements	\$ 164			164
1262	Pension Refunding	2,681			2,681
1285	Various Capital Improvements	2,556		2,556	
1325	Various Capital Improvements	709			709
1357	Acquisition of Municipal Complex/Police Station	5,400,000			5,400,000
1359	Dissolution of the Edgewater Municipal Utilities Authority	78,860			78,860
1366	Separation of Combined Sewers	748,519			748,519
1372/1382	Dredging of Edgewater Marina	700			700
1381/1387	Various Capital Improvements	250			250
1413	Refunding Bond Ordinance	340,000			340,000
1418	Sewer Repairs	725,000			725,000
1420	Sanitary Sewer Repairs	550,000		505,000	45,000
1423	Improvements to Undercliff Avenue	42,750		42,500	250
1426	Acquisition of various equipment for new municipal compl	237,500		237,500	-
1443	Reconstruction of Roads (Lasher Lane/Oldwood Rd)		107,350		107,350
		<u>\$ 8,129,689</u>	<u>107,350</u>	<u>787,556</u>	<u>7,449,483</u>
			<u>2010 Improvement Authorizations</u>		
			<u>107,350</u>		
			<u>\$ 107,350</u>		
			Sale of Bond Anticipation Notes	280,000	
			NJEIT Loans Payable	505,000	
			Cancelled by Resolution	2,556	
				<u>\$ 787,556</u>	

BOROUGH OF EDGEWATER
Schedule of Cash - Collector-Treasurer
Marina Utility Fund
Year ended December 31, 2010

Balance - December 31, 2009		\$	291,536
Cash Receipts:			
Revenues			296,451
			587,987
Cash Disbursements:			
Appropriations	\$	240,970	
Appropriation Reserves		5,420	
			246,390
Balance - December 31, 2010		\$	341,597

BOROUGH OF EDGEWATER
Schedule of Encumbrances Payable
Marina Utility Operating Fund
Year ended December 31, 2010

Balance - December 31, 2009	\$	1,664
Increased by:		
Transferred from Budget		<u>5,074</u>
		6,738
Decreased by:		
Transferred to Appropriation Reserves		<u>1,664</u>
Balance - December 31, 2010	\$	<u><u>5,074</u></u>

BOROUGH OF EDGEWATER
Schedule of 2009 Reserves - Operating Fund
Marina Utility Fund
Year ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 19,694	19,694		19,694
Other expenses	<u>10,497</u>	<u>12,161</u>	<u>5,420</u>	<u>6,741</u>
	<u>\$ 30,191</u>	<u>31,855</u>	<u>5,420</u>	<u>26,435</u>
Appropriation Reserves		30,191		
Encumbrances		<u>1,664</u>		
		<u>\$ 31,855</u>		

BOROUGH OF EDGEWATER

Schedule of Cash - Treasurer

Public Assistance Fund

Year ended December 31, 2010

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance - December 31, 2009	\$ 768	23,668	24,436
Increased by:			
State Aid for Public Assistance		51,664	51,664
Supplemental Security Income		24,900	24,900
Interest Earned	2		2
	<u>2</u>	<u>76,564</u>	<u>76,566</u>
	770	100,232	101,002
Decreased by:			
SSI Refunded		2,055	2,055
Public Assistance		60,855	60,855
		<u>62,910</u>	<u>62,910</u>
Balance - December 31, 2010	\$ <u><u>770</u></u>	<u><u>37,322</u></u>	<u><u>38,092</u></u>

BOROUGH OF EDGEWATER

**Schedule of Public Assistance Cash and Reconciliation
per N.J.S.A. 40A:5-5**

Public Assistance Fund

Period ended December 31, 2010

Balance - December 31, 2010		\$	38,092
Increased by receipts:			
State Aid	\$	28,100	
Supplemental Security Income/SSD		5,908	
Interest Earned		<u>1</u>	
			<u>34,009</u>
			72,101
Decreased by:			
SSI Refund		3,528	
General Assistance		<u>12,440</u>	
			<u>15,968</u>
Balance - March 31,		\$	<u><u>56,133</u></u>

<u>Reconciliation - March 31,</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Bank of America			
a/c no. 0469000414	\$	56,332	56,332
Mariner's Bank			
a/c no. 1400000756	<u>771</u>	<u>771</u>	<u>771</u>
	<u>771</u>	<u>56,332</u>	<u>57,103</u>
Add: Bank Service Charges			
Less: Outstanding Checks		<u>970</u>	<u>970</u>
Balance - March 31, 2010	\$ <u><u>771</u></u>	<u><u>55,362</u></u>	<u><u>56,133</u></u>

BOROUGH OF EDGEWATER

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Period ended December 31, 2010

Balance - December 31, 2009		\$	24,436
Increased by receipts:			
State aid	\$	51,664	
Supplemental Security Income:			
Municipal Refund		24,900	
Interest Earned		2	
		<u> </u>	76,566
			<u>101,002</u>
Decreased by:			
SSI Client Refund		2,055	
General Assistance		60,855	
		<u> </u>	62,910
Balance - December 31, 2010		\$	<u><u>38,092</u></u>

<u>Reconciliation - December 31, 2010</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit per Statement of:			
Mariner's Bank			
a/c no. 1400000756	\$	770	770
Bank of America			
a/c no. 0469000414		24,502	24,502
		<u> </u>	<u> </u>
		770	25,272
Add: Deposits in Transit		14,000	14,000
Less: Outstanding Checks		<u> </u>	<u> </u>
		1,180	1,180
Balance - December 31, 2010	\$	<u><u>770</u></u>	<u><u>38,092</u></u>
		<u><u>37,322</u></u>	<u><u>38,092</u></u>

BOROUGH OF EDGEWATER
Statement of Public Assistance Revenues
Public Assistance Fund
Year ended December 31, 2010

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
State Aid Payments	\$	51,664	51,664
Less: Refunds to the State			
Net State Aid Payments	_____	_____	_____
		51,664	51,664
Supplemental Security Income:			
Municipal Refund		24,900	24,900
Interest Earned	_____	_____	_____
	2		2
Total revenues (PATF)	\$ _____	_____	_____
	2	76,564	76,566

Statement of Public Assistance Expenditures
Public Assistance Fund
Period ended December 31, 2010

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Payments for Current Year Assistance (Reported):			
Maintenance payments	\$	45,168	45,168
Temporary Rent Assistance		11,241	11,241
Work Related Expenses		70	70
Transportation		2,001	2,001
Emergency Assistance		2,350	2,350
Transient Assistance		25	25
Total Payments Reported	_____	_____	_____
		60,855	60,855
SSI Payments:			
Reimbursements to Clients	_____	_____	_____
		2,055	2,055
Total Disbursements	\$ _____	_____	_____
		62,910	62,910

BOROUGH OF EDGEWATER

Schedule of Grants Receivable

Sewer Facilities Grant Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ <u>74,501</u>
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Balance - December 31, 2010	\$ <u><u>74,501</u></u>
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Analysis of Balance

Federal Sewer Facilities Step I Grant - EPA	70,161
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Federal Sewer Facilities Step II Grant - EPA	<u>4,340</u>
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	\$ <u><u>74,501</u></u>
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Schedule of Reserve for Grant Expenditures

Sewer Facilities Grant Fund

Year ended December 31, 2010

Balance - December 31, 2009	\$ <u>74,501</u>
-----------------------------	------------------

Balance - December 31, 2010	\$ <u><u>74,501</u></u>
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Analysis of Balance

Federal Sewer Facilities Step I Grant - EPA	70,161
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Federal Sewer Facilities Step II Grant - EPA	<u>4,340</u>
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	\$ <u><u>74,501</u></u>
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BOROUGH OF EDGEWATER

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

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

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

We have audited the financial statements-regulatory basis of the Borough of Edgewater in the County of Bergen as of and for the year ended December 31, 210, and have issued our report thereon dated June 28, 2011. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Edgewater prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Edgewater'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-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Edgewater's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Edgewater'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 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.

Honorable Mayor and
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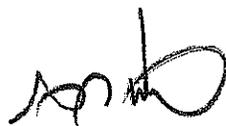
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



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Registered Municipal Accountant
No. CROO413



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Certified Public Accountants

June 28, 2011

BOROUGH OF EDGEWATER

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000.00 and \$29,000.00 with a qualified purchasing agent. On July 1, 2010 the bid threshold was increased to \$26,000.00 and \$36,000.00 with a qualified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract 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.

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.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

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

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

Drainage Improvements
Walkway at Veteran's Field
Dump Truck

Sidewalk Improvements
Emergency 911 System
Real Loader Recycling Truck

BOROUGH OF EDGEWATER

GENERAL COMMENTS, (continued)

Collection of Interest on Delinquent Taxes and Assessments

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

The following resolution authorizing interest to be charged on delinquent taxes was adopted at the reorganization meeting held on January 4, 2010.

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on April 28, 2010 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on the last three periods of audit:

	<u>Number of Liens</u>
Year Ended December 31, 2010	2
Six Month Period Ended	
December 31, 2009	2
Year Ended June 30, 2009	3

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

BOROUGH OF EDGEWATER

OTHER COMMENTS

Finance/Treasurer

- 1.* There was an instance in which an expenditure was charged to the incorrect capital ordinance.

Departments

Police

2. Deposits are not made in a timely manner.

BOROUGH OF EDGEWATER

RECOMMENDATIONS

Finance/Treasurer

- 1.* All invoices and contracts be reviewed prior to payment and posting to ensure that the proper capital ordinance is charged.

Departments

Police

2. That all receipts be deposited within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

BOROUGH OF EDGEWATER

Status of Prior Year Audit Findings/Recommendations

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

Acknowledgment

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

Respectfully submitted,



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June 28, 2011