

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

WITH

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
District No. 2
Township of Wall
Wall, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the Board of Fire Commissioners, District No. 2, Township of Wall as of December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audits. I conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General to the United States.

Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Fire Commissioners, Township of Wall, District No. 2 as of December 31, 2014 and 2013, and the changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-6 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context.

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued our report dated October 28, 2015, on our consideration of the Board of Fire Commissioners, Township of Wall, District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Board of Fire Commissioners, Township of Wall, District No. 2's internal control over financial reporting and compliance.

BARRY J. OSBORN, CPA

October 28, 2015

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

My discussion and analysis of Board of Fire Commissioners, District No. 2, Township of Wall financial performance provides an overview of the district's financial activities for the year ended December 31, 2014. Please review it in conjunction with the district's basic financial statements which begin on page 7.

Financial Highlights

- Total net assets increased \$19,557 which represents a .99 percent increase from 2013. \$59,827 was the excess of revenues over expenditures in the general fund, \$0 was the excess of expenditures over revenues in restricted for capital projects and \$40,290 was the decrease in net assets invested in capital assets, net of related debt.
- The amount raised by taxation was \$1,036,547 or 95.4 percent of all revenues. Interest and other income amounted to \$49,371 or 4.6 percent of all revenues.
- Total program expenses have decreased \$15,748 or 1.46 percent. Depreciation has decreased \$9,058 and interest has decreased \$9,058.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on page 7 and 8) provide information about the activities of the District as a whole. Fund financial statements start on page 9. These statements tell how these services were financed. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

My analysis of the District as a whole begins on page 7. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating.

Reporting the District's Most Significant Funds

Fund Financial Statements

My analysis of the District's major funds begins on page 9. The fund financial statements provide detailed information about the most significant funds - not the district as a whole.

General Fund – Most of the District's basic services are reported in the general fund, which focuses on how money flows into and out of the funds and the balances left at year-end that are available for spending. The general fund statements provide a detailed *short-term view* of the District's general operations and the basic services it provides. General fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District as a Whole

The District's total net assets increased \$19,557 to \$1,382,256. Details of the changes are reflected on page 8.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

Original Versus Final Budget

As reflected on page 18. The variances between the original and final budgeted amounts were insignificant.

Final Budget Versus Actual Results

As reflected on page 18, the district operated within budgetary constraints. Actual expenses were under the final budget by \$59,827.

Capital Assets

At year end, the District had \$7,110,717 in total capital assets – a - 0 - increase (decrease) from 2013. During 2014 the District continued construction of a firehouse.

Debt Administration

On May 30, 2007 the District issued \$3,800,000 in general obligation bonds to finance the construction of a new firehouse and to make necessary onsite improvements. Debt service for 2015 will be approximately \$165,000.

Economic Factors and Next Year's Budget and Rates

The District's governing body considered many factors when setting the 2015 budget and tax rates including the economy, the rate of inflation and planned future capital projects. The tax rate will decrease \$.008 per \$100 of assessed valuation.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the district's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Clerk at PO Box 1405, Wall, NJ 07719.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
STATEMENT OF NET POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 737,611	\$ 677,106
Capital assets, net	<u>4,043,534</u>	<u>4,304,133</u>
Total Assets	<u>\$ 4,781,145</u>	<u>\$ 4,981,239</u>
 LIABILITIES		
Accounts payable and accrued expenses	\$ 80,480	\$ 79,802
Capital lease obligation payable	523,409	583,738
General obligation bonds	<u>2,795,000</u>	<u>2,955,000</u>
Total Liabilities	<u>3,398,889</u>	<u>3,618,540</u>
 NET POSITION		
Invested in capital assets, net of related debt	309,260	349,530
Restricted for capital projects	259,773	259,773
Unrestricted	<u>813,223</u>	<u>753,396</u>
Total Net Position	<u>\$1,382,256</u>	<u>\$1,362,699</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Expenses:		
Personal services	\$196,317	\$242,203
Material and services	475,685	409,449
Depreciation	260,599	287,639
Interest	<u>133,760</u>	<u>142,818</u>
Total program expenses	<u>1,066,361</u>	<u>1,082,109</u>
Program revenues:		
Charges for services	<u>-</u>	<u>-</u>
Net program expenses	1,066,361	1,082,109
General Revenues:		
Amount raised by taxation	1,036,547	1,028,080
Interest income	1,271	1,042
Various grants	-	-
Miscellaneous income	<u>48,100</u>	<u>93,979</u>
Total general revenues	<u>1,085,918</u>	<u>1,123,101</u>
 Increase (decrease) in net assets	 19,557	 40,992
 Net Assets – beginning of year	 <u>1,362,699</u>	 <u>1,321,707</u>
Net Assets – end of year	<u>\$1,382,256</u>	<u>\$1,362,699</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO.2
TOWNSHIP OF WALL
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES**
YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjust- ments</u>	<u>Statement of Activities</u>
Revenues:					
Amount raised by taxation	\$916,547	\$120,000	\$1,036,547		\$1,036,547
Interest income	1,271	-	1,271		1,271
Miscellaneous income	<u>48,100</u>	<u>-</u>	<u>48,100</u>		<u>48,100</u>
Total revenues	<u>965,918</u>	<u>120,000</u>	<u>1,085,918</u>		<u>1,085,918</u>
Expenditures:					
Personal service	196,317	-	196,317		196,317
Materials and services	355,685	-	355,685		355,685
Capital outlays	-	120,000	120,000		120,000
Depreciation	-	-	-	260,599	260,599
Debt service:					
Principal	220,329	-	220,329	(220,329)	-
Interest	<u>133,760</u>	<u>-</u>	<u>133,760</u>		<u>133,760</u>
Total expenditures	<u>906,091</u>	<u>120,000</u>	<u>1,026,091</u>	<u>40,270</u>	<u>1,066,361</u>
Excess of Revenue over Expenditures	59,827	0	59,827	(59,827)	
Change in net assets				(19,557)	(19,557)
Fund Balance/net assets					
Beginning of year	<u>753,396</u>	<u>259,773</u>	<u>1,013,169</u>		<u>1,362,699</u>
End of year	<u>\$ 813,223</u>	<u>\$ 259,773</u>	<u>\$1,072,996</u>		<u>\$ 1,382,256</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from operations	\$ 1,036,547	\$ 1,028,080
Cash paid to suppliers	805,084	815,720
Interest income received	1,271	1,042
Other income	<u>48,100</u>	<u>93,979</u>
Net cash provided (used) by operating activities	<u>280,834</u>	<u>307,381</u>
Cash flows from investing activities:		
Capital expenditures	-	-
Debt reduction	(220,329)	(214,262)
Total Investing	<u>-</u>	<u>-</u>
Net cash provided (used) by Investing activities	<u>220,329</u>	<u>214,262</u>
Net increase (decrease) in cash and cash equivalents	60,505	93,119
Cash and cash equivalents at the beginning of year	<u>677,106</u>	<u>583,987</u>
Cash and cash equivalents at end of year	<u>\$ 737,611</u>	<u>\$ 677,106</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 19,557	\$ 40,992
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	260,599	287,639
Change in assets and liabilities:		
(Increase) decrease in:		
Prepaid expense	0	9,352
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>678</u>	<u>(30,602)</u>
Total adjustments	<u>261,277</u>	<u>266,389</u>
Net cash provided (used) by operating activities	<u>\$ 280,834</u>	<u>\$ 307,381</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Board of Fire Commissioners District No. 2 (the “District”) is a corporate body created for the purpose of prevention and extinguishment of fires and regulation of fire hazards within the District. The District is governed by Commissioners (“Board”) that acts as the governing body. The Board is comprised of five elected Commissioners.

The Board of Commissioners annually appoints the Chair (person) of the Board from existing board members. The Chair’s responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the District, its officers and employees to the extent set forth in their bylaws.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applicable to governmental units. The financial statements include all organization, activities and functions that comprise the District.

Fund Accounting – The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws and the bylaws of the District.

Other Funds - Other Funds is used to account for funds restricted for capital projects.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Basis of Accounting – The financial statements of the Board of Fire Commissioners, District No. 2, Township of Wall, have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Inventories of Supplies - Purchases of materials and supplies are recognized and recorded as expenditures when they are acquired, regardless of when used.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purpose of reporting cash flows, cash and cash equivalents include cash on hand and investments with an initial maturity of three months or less.

Related Party Transactions – District No. 2 is comprised of one Fire Company as follows:

1. Glendola Fire Company No. 1

The Board of Fire Commissioners has entered into an agreement with the company to provide fire fighting services.

Reservations of Fund Balance – The District records reservations for portions of funds equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure in the general fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for capital projects.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Net Position – Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Capital Assets – General capital assets generally result from expenditures in the reserve for capital projects. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's life are not.

Reclassifications – Certain reclassifications have been made to the 2013 financial statements to conform with the 2014 presentation.

Fund Balances – In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Fire District classifies governmental fund balances as follows:

Nonspendable Fund Balance - Nonspendable fund balance includes amount that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or (2) imposed by law through constitution provisions or enabling legislation.

Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority are reported as committed fund balance. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (e.g., legislation) it employed to previously commit these amounts.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Assigned Fund Balance – Amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund.

Subsequent Events- The District has evaluated subsequent events through October 28, 2015, the date the financial statements were available to be issued. There are no additional items to disclose.

Accounts Payable and Accrued Expenses

	<u>2014</u>	<u>2013</u>
Accounts payable	\$26,427	\$27,620
Other payables	36,823	34,930
LOSAP	12,903	11,628
Accrued interest	<u>4,327</u>	<u>5,624</u>
	<u>\$ 80,480</u>	<u>\$ 79,802</u>

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Capital Lease Obligation Payable

The Board entered into a lease with option to purchase agreement for a tower ladder fire truck. The lease dated as of November 1, 2012 in the amount of \$643,000 is payable in annual installments of \$70,836 and bears interest at a rate of 1.80%.

The following is a schedule of future lease payments under the lease together with the present value of the lease payments as of November 1, 2014.

<u>Due Date</u>	<u>2013</u>
November 1, 2015	\$ 70,836
November 1, 2016	70,836
November 1, 2017	70,836
November 1, 2018	70,836
November 1, 2019	70,836
November 1, 2020	70,836
November 1, 2021	70,836
November 1, 2022	<u>70,836</u>
Total lease payments	566,688
Less, amount representing interest	<u>(43,279)</u>
Present value of lease payments	<u>\$ 523,409</u>

Pension Plan

District No. 2 participates in the Public Employee Retirement System and Police and Firemen's Retirement System of New Jersey which is a part of the Division of Pensions in the Department of the Treasury, State of New Jersey. The plan is funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plan, which covers public employees throughout the state, does not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Authority who are members of the plan is not available. Pension expense was \$28,255 and \$28,255 in 2014 and 2013, respectively.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Capital Assets

Capital assets together with accumulated depreciation and estimated useful lives consist of the following:

	<u>2014</u>	<u>2013</u>	<u>Estimated Useful Life (Years)</u>
Land	\$ 26,000	\$ 26,000	
Firehouses and improvements	4,503,724	4,503,724	30
Apparatus	2,114,523	2,114,523	10
Vehicles and equipment	<u>466,470</u>	<u>466,470</u>	5
	7,110,717	7,110,717	
 Less, accumulated depreciation	 <u>3,067,183</u>	 <u>2,806,584</u>	
	<u>\$4,043,534</u>	<u>\$ 4,304,133</u>	

Bonds Payable

The Board of Fire Commissioners District No. 2, Township of Wall, issued \$3,800,000 general obligation bonds to provide a portion of the funds necessary to undertake the construction of a new firehouse and to make the necessary onsite improvements. The bonds are dated March 30, 2007. Interest is payable semi-annually on June 15 and December 15, commencing June 15, 2008. The average coupon is 4.30%. Maturities of debt for each of the succeeding five years are as follows:

Year	Principal
2015	165,000
2016	175,000
2017	180,000
2018	190,000
2019	195,000
Thereafter	<u>1,890,000</u>
	<u>\$ 2,795,000</u>

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2014 AND 2013

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that financial statements were available to be issued, which date is October 28, 2015.

Fair Value Measurements

The district uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosure.

FASB ASC topic 820, fair value measurements and disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC topic 820 are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Significant other observable inputs.
- Level 3: Significant unobservable inputs.

The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short-term maturities of these instruments.

SUPPLEMENTARY INFORMATION

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted</u> <u>Original</u>	<u>Amounts</u> <u>Final</u>	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Restricted fund balance utilized	120,000	120,000	120,000	-
Unrestricted fund balance utilized	33,089	33,089	33,089	-
Amount raised by taxation	1,036,547	1,036,547	1,036,547	-
Interest income	1,500	1,500	1,271	(229)
Other income	<u>3,000</u>	<u>3,000</u>	<u>48,100</u>	<u>45,100</u>
Total revenues	<u>1,194,136</u>	<u>1,194,136</u>	<u>1,239,007</u>	<u>44,871</u>
Expenditures				
Administrative	8,500	20,500	19,105	1,395
Advertising	750	750	0	750
Capital appropriations	120,000	120,000	120,000	-
Capital lease	70,836	70,836	70,836	-
Debt service	284,550	284,550	283,253	1,297
Elections	1,000	1,500	1,226	274
Fringe benefits	70,000	70,000	64,581	5,419
Insurance	90,000	70,000	66,791	3,209
LOSAP	22,000	22,000	12,903	9,097
Maintenance and repairs	133,000	185,000	184,093	907
Materials and supplies	68,500	88,500	87,824	676
Professional services	35,000	21,500	18,217	3,283
Salary – Commissioners	35,000	35,000	32,625	2,375
Salary - other	165,000	105,000	99,111	5,889
Training and education	18,000	18,000	5,473	12,527
Utilities	<u>72,000</u>	<u>81,000</u>	<u>80,053</u>	<u>947</u>
Total expenditures	<u>1,194,136</u>	<u>1,194,136</u>	<u>1,146,091</u>	<u>48,045</u>
Excess of revenues over expenditures	-	-	<u>\$ 92,916</u>	<u>\$ 92,916</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
STATISTICAL INFORMATION
DECEMBER 31, 2014

Property Tax Levies

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations.

<u>Calendar Year</u>	<u>Valuations (Unaudited)</u>	<u>Assessed Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/2014	\$1,485,544,082	\$1,036,547	.070
12/31/2013	1,495,647,926	1,028,080	.073
12/31/2012	1,527,431,663	1,105,903	.065
12/31/2011	1,543,583,248	992,375	.062

Unreserved Fund Balance

Following is a tabulation of unreserved fund balance and subsequent budget action thereon for the current and preceding three years.

<u>Calendar Year Ended</u>	<u>End of Calendar Year</u>	<u>Utilization in Subsequent Budget</u>
December 31, 2014	\$813,223	\$25,000
December 31, 2013	753,396	33,089
December 31, 2012	359,534	-
December 31, 2011	472,323	142,564

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
ROSTER OF OFFICIALS

<u>Name</u> <u>Board of Commissioners</u>	<u>Amount of Dishonesty Bond</u>
Harlon Bauter, Member	-
John A. Tennissen, Chairman/Clerk	-
Robert S. Coman, Treasurer	\$100,000
Jeffrey P. Jannarone, Member	-

Surety Name

American Alternative Insurance Corporation

BARRY J. OSBORN

CERTIFIED PUBLIC ACCOUNTANT

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Board of Fire Commissioners
District No. 2
Township of Wall

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Board of Fire Commissioners, Township of Wall, District No. 2, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the Board of Fire Commissioners, Township of Wall, District No. 2's basic financial statements, and have issued my report thereon dated October 28, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Board of Fire Commissioners, Township of Wall, District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Board of Fire Commissioners, Township of Wall, District No. 2's internal control. Accordingly, I do not express an opinion on the effectiveness of the Board of Fire Commissioners, Township of Wall, District No. 2's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Board of Fire Commissioners, Township of Wall, District No. 2'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 of compliance disclosed the following instance of noncompliance required to be reported under *Government Auditing Standards*. The Board of Fire Commissioners, District No. 2, Township of Wall has not had an audit completed and filed with the Authority within four months after the close of the fiscal year as required by N.J.S.A. 40A:5A-15. I considered this instance of noncompliance in forming my opinion on whether the Board of Fire Commissioners, District No. 2, Township of Wall's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated October 28, 2015.

Response to Finding

Board of Fire Commissioners, Township of Wall, District No.2's response to the finding identified in my audit is described in the accompanying schedule of findings and responses. Board of Fire Commissioners, Township of Wall, District No. 2's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, I express no opinion on it.

Board of Fire Commissioners
District No. 2
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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BARRY J. OSBORN, CPA

October 28, 2015

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 2
TOWNSHIP OF WALL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

COMPLIANCE AND OTHER MATTERS

Finding: 2014 – 1

Criteria: Audit not completed and financial statements not filed with the Authority within four months after the close of the fiscal year as required by N.J.S.A. 40A:5A-15.

Condition: Bookkeeper does not have adequate technical training in the preparation of financial statements

Response: Management will have the books and records available prior to April 30, 2016 and the audit will be completed and financial statements filed with the Authority prior to April 30, 2016.