

**FIRE DISTRICT NO. 1
OF THE BOROUGH OF LINDENWOLD**

Financial Statements and Supplementary Schedule

For the year ended December 31, 2014

(With Independent Auditor's Report thereon)

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Financial Statements
For the year ended December 31, 2014
(With Independent Auditor's Report thereon)

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
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 <i>Government Auditing Standards</i>	3-4
Management Discussion and Analysis	5-14
District Wide Statement of Net Position	15
District Wide Statement of Activities	16
Governmental Funds Balance Sheet	17
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	18-19
Governmental Funds Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	20
Notes to Financial Statements	21-35
Budgetary Comparison Schedule	36-37
General Comments and Recommendations	38-39



INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Fire District No. 1 of the Borough of Lindenwold

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of each major fund and the aggregate remaining fund information of the Fire District No. 1 of the Borough of Lindenwold, County of Camden, State of New Jersey, as of and for the fiscal year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire District No. 1 of the Borough of Lindenwold, County of Camden, State of New Jersey, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 36 through 37 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire District No. 1 of the Borough of Lindenwold's basic financial statements. The accompanying comparative totals for December 31, 2013 are presented for purposes of additional analysis and are not a required part of the financial statements. The comparative totals have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2015 on our consideration of the Fire District No. 1 of the Borough of Lindenwold'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 our 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.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

April 20, 2015
Toms River, New Jersey



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

Board of Fire Commissioners
Fire District No. 1 of the Borough of Lindenwold:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 1 of the Borough of Lindenwold, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Fire District No. 1 of the Borough of Lindenwold’s basic financial statements, and have issued our report thereon dated April 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire District No. 1 of the Borough of Lindenwold’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire District No. 1 of the Borough of Lindenwold’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fire District No. 1 of the Borough of Lindenwold’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire District No. 1 of the Borough of Lindenwold's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs State of New Jersey.

Purpose of this Report

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

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

April 20, 2015
Toms River, New Jersey

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)**

As management of Borough of Lindenwold Fire District No. 1, we offer readers of the Lindenwold Fire District No. 1 financial statements this narrative overview and analysis of the financial activities of the Borough of Lindenwold Fire District No. 1 for the year ended December 31, 2014. The intent of this narrative is to look at Borough of Lindenwold Fire District No. 1's overall financial performance in terms easily understood by the lay person. Please read this in conjunction with the audit opinions beginning on page 1 and the District's financial statements which begin on page 15. Notes to the financial statements will provide the reader with additional useful information and they begin on page 21.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at December 31, 2014 by approximately \$2.0 million. In 2013 the excess was approximately \$2.01 million. This is a decrease of approximately \$13,600.
- During 2014 Borough of Lindenwold Fire District No. 1 operated at a deficit of approximately \$13,600. The surplus in 2013 was approximately \$15,500. This is a decrease of approximately \$29,100.
- The District's cash balances increased by approximately \$98,900.
- The District's accounts receivable decreased by approximately \$6,700.
- The District increased the fund for future purchase of fire apparatus by \$140,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Borough of Lindenwold Fire District No. 1's basic financial statements are comprised of three components: district-wide financial statements; fund financial statements; and notes to the basic financial statements.

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)**

Reporting on the District as a Whole

Our analysis of the District as a whole begins on page 8. District-wide financial statements are provided to give the reader a broad overview of the District's financial position and its financial activity for the year. It is presented in a format similar to the private sector to give the reader a familiar point of reference.

The Statement of Net Position presents information on all the assets and liabilities of Borough of Lindenwold Fire District No. 1. The difference between the assets and liabilities is reported as the District's net position. Significant increases or decreases in the District's net position can be an indication of the financial health of the District.

The Statement of Activities presents financial information about activities that result in the District's net position increasing or decreasing during the year. Financial activities are recorded when the transactions occur rather than when the cash is received or paid out. As a result, there could be activities that result in cash flow in a future period.

The district-wide financial statements report on the financial data by function. Borough of Lindenwold Fire District No. 1 has two basic functions: activities that are supported by property taxes; and activities supported by other governmental activities. Borough of Lindenwold Fire District No. 1 provides firefighting services to the citizens of Borough of Lindenwold.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Borough of Lindenwold Fire District No. 1 uses fund accounting to document compliance with finance-related legal matters. Borough of Lindenwold Fire District No. 1 has two types of fund groups, a governmental fund and a fiduciary fund.

Governmental Funds

Borough of Lindenwold Fire District No. 1's activities are reported in governmental funds. These funds record the flow of cash in and out of the District during the period and the balances remaining at year end for future periods. The modified accrual basis of accounting is utilized for reporting purposes. This method of accounting measures cash and all other financial assets that can be converted to cash. The governmental fund

BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)

statements provide a detailed short-term view of the District's general government operations and the basic services that it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's services.

Borough of Lindenwold Fire District No. 1 maintains two separate government funds, the general fund and the capital fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the capital fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

As required by N.J.S.A. 40A:14:78-3, Borough of Lindenwold Fire District No. 1 adopts an annual budget which is voted on by the legal voters of the district on the third Saturday in February. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

Fiduciary Funds

A fiduciary fund is used to hold and report funds that are being held in trust. The District does not maintain any fiduciary funds.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS

Borough of Lindenwold Fire District No. 1's net position is a useful indicator of the District's financial condition. At the end of 2014 the District's assets exceeded the liabilities by approximately \$2 million. A large portion of Borough of Lindenwold Fire District No. 1's net position (47%) is its investment in capital assets. The District uses these assets to provide fire-fighting services to the community; consequently, these assets are not available for future spending. Borough of Lindenwold Fire District No. 1's investment in capital assets is reported net of related accumulated depreciation.

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**
(unaudited)

Statement of Net Position

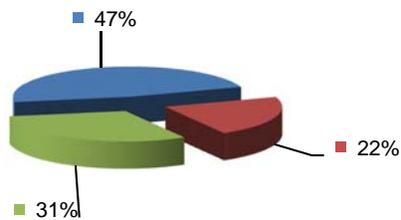
BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
NET POSITION
DECEMBER 31, 2014

	2014	2013	\$ Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	\$1,097,689	\$1,003,747	93,942	9.4%
Capital Assets	<u>951,449</u>	<u>1,058,920</u>	(107,471)	(10.1%)
Total Assets	2,049,138	2,062,667	(13,529)	(.7%)
Other Liabilities	<u>(45,230)</u>	<u>(45,175)</u>	55	.1%
Net Position	<u>\$2,003,908</u>	<u>\$2,017,492</u>	(13,584)	(.7%)

Analysis of Net Position

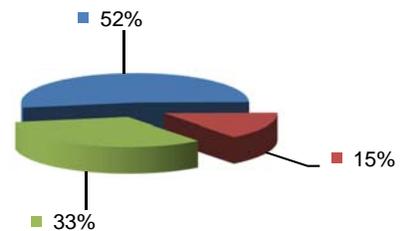
Invested in Capital Assets				
Net of Related Debt	\$ 951,449	\$1,058,920	(107,471)	(10.1%)
Capital Funds	440,035	298,376	141,659	47.5%
Unrestricted	<u>612,424</u>	<u>660,196</u>	(47,772)	(7.2%)
Total Net Position	<u>\$2,003,908</u>	<u>\$2,017,492</u>	(13,584)	(.7%)

2014 Net Position



■ Invested in Net Assets ■ Designated ■ Unrestricted

2013 Net Position



■ Invested in Net Assets ■ Designated ■ Unrestricted

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**
(unaudited)

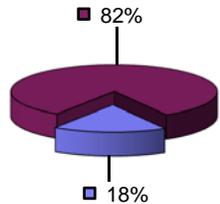
The net position of Borough of Lindenwold Fire District No. 1 decreased by approximately \$13,600 during the 2014 period. This decrease was due primarily to the 2014 operating at a deficit of approximately \$13,600. Other major changes in net position at December 31, 2014 that affected the net change were the increase in cash funds, depreciation, and the increase in future capital outlays.

Governmental Activities

The Statement of Activities shows the cost of the governmental activities program services and the charges for services and grants offsetting these costs. A summary of these activities follows:

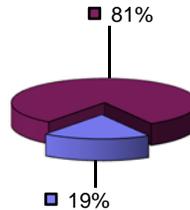
	2014	2013	\$ Increase (Decrease)	% Increase (Decrease)
Program Expenses				
Administrative Expenses	\$ 165,267	\$ 165,732	(465)	(.3%)
Cost of Operations & Maintenance	<u>770,351</u>	<u>727,017</u>	43,334	5.4%
Total Program Expenses	<u>935,618</u>	<u>892,749</u>	42,869	4.8%

2014 Program Expenses



■ Administrative ■ Operations

2013 Program Expenses

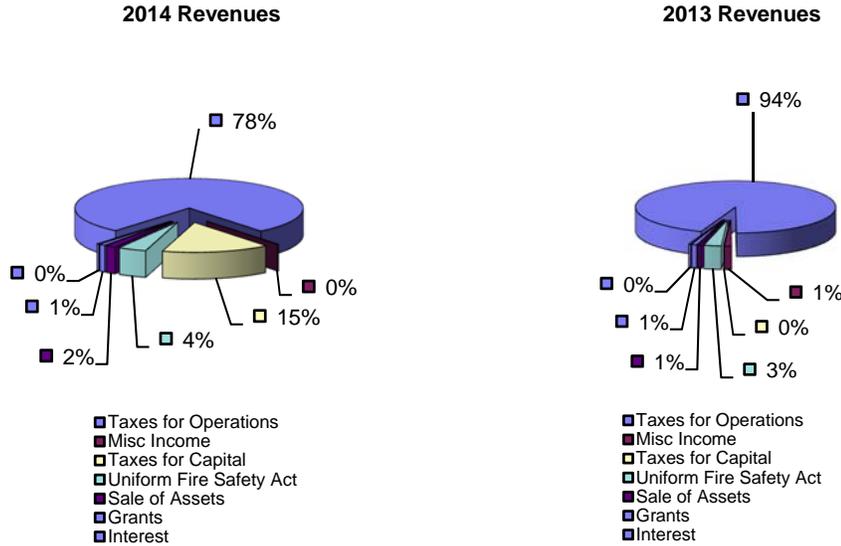


■ Administrative ■ Operations

BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)

	2014	2013	\$ Increase (Decrease)	% Increase (Decrease)
Program Revenues				
Operating Grants	<u>7,885</u>	<u>7,885</u>	- 0 -	0.0%
Net Program Expenses	<u>927,733</u>	<u>884,864</u>	42,869	4.8%
General Revenues				
Property Taxes Levied for General Purposes	720,214	856,466	(136,252)	(15.9%)
Property Taxes Levied for Capital Purchases	140,000	- 0 -	140,000	100.0%
Uniform Fire Safety Act	36,629	25,478	11,151	43.8%
Interest earned on investments	3,248	3,091	157	5.1%
Sale of Assets	13,249	4,952	8,297	167.5%
Miscellaneous Income	<u>809</u>	<u>10,381</u>	(9,572)	(92.2%)
Total General Revenues	<u>914,149</u>	<u>900,368</u>	13,781	1.5%
Increase(Decrease) in Net Position	(13,584)	15,504	(29,088)	(187.6%)
Net Position, January 1	<u>2,017,492</u>	<u>2,001,988</u>	15,504	.7%
Net Position, December 31	<u>\$2,003,908</u>	<u>\$2,017,492</u>	(13,584)	(.7%)

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)**



Property tax revenue constituted 93% of the total governmental activities revenues received by Borough of Lindenwold Fire District No. 1 in 2014. In 2013 the property tax revenue also constituted 94% of total revenues.

The Cost of Operations & Maintenance in 2014 was 82% and 81% of the District's total expenses in 2014 and 2013 respectively. Administration expenses equaled 18% and 19% of the total expenses in 2014 and 2013.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

Borough of Lindenwold Fire District No. 1 uses fund accounting to document compliance with finance-related legal requirements.

Government Fund

The primary objective of the District's governmental funds is to report on cash flows in and out during the period and the ending balances of the spendable resources. This information is useful to evaluate the performance of the District and to assess its future needs and available resources.

BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)

As of December 31, 2014, the combined balance of the governmental cash funds of Borough of Lindenwold Fire District No. 1 was approximately \$1,084,700. This balance is approximately \$98,800 higher than last year's combined governmental funds balance. The majority of the increase, approximately \$140,000, is the appropriation for future capital purchases.

The combined balance of the governmental funds of Borough of Lindenwold Fire District No. 1 was approximately \$1,056,000. An amount of approximately \$93,000 has been designated for use in 2015. The breakdown is \$92,000 designated for 2015 operating costs, and approximately \$1,000 for encumbrances.

The general fund is the main operating fund of Borough of Lindenwold Fire District No. 1. At the end of 2014, the total fund balance of the general fund was approximately \$616,000. An amount of approximately \$92,000 has been designated for utilization in the 2015 Budget.

During 2014 the general fund balance of Borough of Lindenwold Fire District No. 1 decreased by approximately \$54,900. The primary reason for this decrease is:

- The Board spent more General Funds than it brought in for the year by approximately \$54,900.

At the end of 2014, the District had a capital projects fund balance of approximately \$440,000. This was an increase of approximately \$140,000 from the previous year. The major change in this fund balance was:

- A capital appropriation from the general fund of \$140,000.

General Fund Budgetary Highlights

The original budget as approved by the voters was balanced with the utilization of approximately \$130,000 of accumulated surplus.

Administrative expenses were approximately 7% less than projected in 2014. Operating expenses were approximately 8% less than projected in 2014.

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(unaudited)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2014 Borough of Lindenwold Fire District No. 1 had invested in capital assets for government activities approximately \$951,400 (net of accumulated depreciation). Capital assets consist of fire apparatus, and fire equipment.

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 4
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
DECEMBER 31, 2014**

	2014	2013	Change
Vehicles & Apparatus	\$2,123,562	\$2,144,462	(20,900)
Equipment	<u>397,921</u>	<u>386,258</u>	+11,663
Total Capital Assets	2,521,483	2,530,720	(9,237)
Less: Accumulated Depreciation	<u>1,570,034</u>	<u>1,471,800</u>	+98,234
Investment in Capital Assets – net	<u>\$ 951,449</u>	<u>\$1,058,920</u>	(107,471)

Additional information on Borough of Lindenwold Fire District No. 1's capital assets can be found in note 5 in the notes to the financial statements.

Long-Term Obligations

The District has no long term obligations.

**BOROUGH OF LINDENWOLD FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**
(unaudited)

ECONOMIC FACTORS AND NEXT YEARS BUDGET

In 2014, Borough of Lindenwold Fire District No. 1 was able to cover all its appropriations through the fire tax levy and other revenues. In 2014 the fire tax levy amounted to 93% of total revenue collected.

In 2014, Borough of Lindenwold Fire District No. 1 adopted their 2015 budget on December 29, 2014. The voters subsequently approved the budget at the February election. The 2015 budget reflects a decrease in the tax levy of approximately \$22,500. The 2015 Budget has an appropriation of \$75,000 for future apparatus purchase. The Board is utilizing \$92,000 of accumulated surplus to balance the budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Lindenwold Fire District No. 1's finances for all of those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Wayne Hans, Borough of Lindenwold Fire District No. 1, 2201 Bangor Avenue, Lindenwold, New Jersey, 08021.

EXHIBIT A-1

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Statement of Net Position
December 31, 2014
(With comparative totals for December 31, 2013)

	Governmental Activities	
	2014	(Memorandum Only) 2013
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,084,689	\$ 985,843
Investments	5,154	5,147
Accounts receivable	74	6,762
Prepaid expenses	7,772	5,995
Total current assets	1,097,689	1,003,747
Capital assets, (net of depreciation)	951,449	1,058,920
Total assets	2,049,138	2,062,667
Liabilities:		
Current liabilities:		
Accounts payable	15,617	17,260
Accrued wages	2,965	1,748
Accrued professional fees	7,650	7,500
Accrued PERS	7,642	7,929
Total current liabilities	33,874	34,437
Noncurrent liabilities		
Compensated absences	11,356	10,738
Total noncurrent liabilities	11,356	10,738
Total liabilities	45,230	45,175
Net position:		
Net investment in capital assets	951,449	1,058,920
Restricted net position:		
Capital	440,035	298,376
Unrestricted net position	612,424	660,196
Total net position	\$ 2,003,908	\$ 2,017,492

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

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Statement of Activities
For the year ended December 31, 2014
(With comparative totals for December 31, 2013)

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>	
			<u>2014</u>	<u>(Memorandum Only) 2013</u>
Government activities:				
Operation appropriations:				
Administration	\$ 165,267	\$ -	\$ (165,267)	\$ (165,732)
Costs of operations and maintenance	<u>770,351</u>	<u>36,629</u>	<u>(733,722)</u>	<u>(693,654)</u>
Total governmental activities	<u>935,618</u>	<u>36,629</u>	<u>(898,989)</u>	<u>(859,386)</u>
General revenues:				
Amount raised by taxation			860,214	856,466
Interest income			3,248	3,091
Gain on sale of assets			13,249	4,952
Miscellaneous			<u>8,694</u>	<u>10,381</u>
Total general revenues			<u>885,405</u>	<u>874,890</u>
Change in net position			(13,584)	15,504
Net position, January 1			<u>2,017,492</u>	<u>2,001,988</u>
Net position, December 31			<u>\$ 2,003,908</u>	<u>\$ 2,017,492</u>

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Governmental Funds
Balance Sheet
December 31, 2014
 (With comparative totals for December 31, 2013)

			<u>Totals</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>December 31, 2014</u>	<u>(Memorandum Only) December 31, 2013</u>
Assets:				
Cash and cash equivalents	\$ 644,654	\$ 440,035	\$ 1,084,689	\$ 985,843
Investments	5,154	-	5,154	5,147
Accounts receivable	74	-	74	6,762
Prepaid expenses	-	-	-	5,995
Total assets	649,882	440,035	1,089,917	1,003,747
Liabilities:				
Accounts payable	15,617	-	15,617	16,181
Accrued wages	2,965	-	2,965	1,748
Accrued professional fees	7,650	-	7,650	7,500
Accrued PERS	7,642	-	7,642	7,929
Payroll deductions payable	-	-	-	1,079
Total liabilities	33,874	-	33,874	34,437
Fund balances:				
Restricted for:				
Capital	-	440,035	440,035	298,376
Assigned to:				
Other purposes	1,000	-	1,000	17,890
Designated for subsequent year's expenditures	92,000	-	92,000	130,000
Unassigned, reported in:				
General fund	523,008	-	523,008	523,044
Total fund balances	616,008	440,035	1,056,043	969,310
Total liabilities and fund balance	\$ 649,882	\$ 440,035		
Amounts reported for governmental activities in the statement of Net Position (A-1) are different because:				
Prepaid insurance is reported in governmental funds as expenditures. However, in the statement of net position, the cost of those assets is expensed over the term of the policy as insurance expense.			7,772	-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,521,483 and the accumulated depreciation is \$1,570,034.			951,449	1,058,920
Long-term liabilities are not due and payable in the current period and are therefore not reported as liabilities in the funds.			(11,356)	(10,738)
Net position			\$ 2,003,908	\$ 2,017,492

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2014
(With comparative totals for the year ended December 31, 2013)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>	
			<u>December 31, 2014</u>	<u>(Memorandum Only) December 31, 2013</u>
Revenues:				
Miscellaneous anticipated revenue:				
Investment income	\$ 1,589	\$ 1,659	\$ 3,248	\$ 3,091
Sale of assets	13,249	-	13,249	4,952
Other revenue	809	-	809	10,381
Total miscellaneous revenues	<u>15,647</u>	<u>1,659</u>	<u>17,306</u>	<u>18,424</u>
Operating grant revenues:				
Supplemental fire service act	7,885	-	7,885	7,885
Total operating grant revenue	<u>7,885</u>	<u>-</u>	<u>7,885</u>	<u>7,885</u>
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues:				
Annual registration fee	15,408	-	15,408	17,985
Other revenues	21,221	-	21,221	7,493
Total uniform fire safety act revenues	<u>36,629</u>	<u>-</u>	<u>36,629</u>	<u>25,478</u>
Total miscellaneous revenues offset with appropriations	<u>36,629</u>	<u>-</u>	<u>36,629</u>	<u>25,478</u>
Total revenues	<u>60,161</u>	<u>1,659</u>	<u>61,820</u>	<u>51,787</u>
Amount raised by taxation to support district budget	<u>720,214</u>	<u>140,000</u>	<u>860,214</u>	<u>856,466</u>
Total anticipated revenues	<u>780,375</u>	<u>141,659</u>	<u>922,034</u>	<u>908,253</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	66,614	-	66,614	69,587
Fringe benefits	33,840	-	33,840	41,350
Other expenditures:				
Professional fees	16,040	-	16,040	15,291
Elections	488	-	488	1,030
Utilities	27,390	-	27,390	23,761
Office supplies	5,120	-	5,120	5,841
Advertising	832	-	832	1,010
Payroll service fees	4,174	-	4,174	-
Non-bondable assets	10,769	-	10,769	7,862
Total administration	<u>165,267</u>	<u>-</u>	<u>165,267</u>	<u>165,732</u>

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

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2014
(With comparative totals for the year ended December 31, 2013)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>	
			<u>December 31, 2014</u>	<u>(Memorandum Only) December 31, 2013</u>
Cost of operations and maintenance:				
Salaries and wages	90,481	-	90,481	86,160
Fringe benefits	8,547	-	8,547	1,269
Other expenditures:				
Rental charges	188,120	-	188,120	172,253
Insurance	89,061	-	89,061	74,480
Maintenance and repairs	134,805	-	134,805	164,262
Supplies	16,721	-	16,721	26,784
Training and education	18,252	-	18,252	
Uniforms	10,872	-	10,872	8,862
SFSG expenses	9,070	-	9,070	6,700
Medical/screening	3,879	-	3,879	
Volunteer allowance	47,869	-	47,869	44,948
Promotions	2,463	-	2,463	
Other non-bondable assets	15,038	-	15,038	10,962
Total cost of operations and maintenance	<u>635,178</u>	<u>-</u>	<u>635,178</u>	<u>596,680</u>
Operating appropriations offset with revenues:				
Salaries and wages	17,000	-	17,000	17,000
Fringe benefits	1,355	-	1,355	
Other expenditures	16,501	-	16,501	16,798
Total operating appropriations offset with revenues	<u>34,856</u>	<u>-</u>	<u>34,856</u>	<u>33,798</u>
Capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,839</u>
Total operating appropriations	<u>835,301</u>	<u>-</u>	<u>835,301</u>	<u>835,049</u>
Excess (efficiency) of revenues over (under) expenditures	(54,926)	141,659	86,733	73,204
Fund balance, January 1	<u>670,934</u>	<u>298,376</u>	<u>969,310</u>	<u>896,106</u>
Fund balance, December 31	<u>\$ 616,008</u>	<u>\$ 440,035</u>	<u>\$ 1,056,043</u>	<u>\$ 969,310</u>

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2014

Total net changes in Fund Balance-Governmental Funds (B-2) \$ 86,733

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different as follows:

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.

Capital Outlays - General Fund	31,993	
Depreciation Expense	<u>(139,464)</u>	(107,471)

Prepaid insurance is reported in governmental funds as expenditures. However, in the statement of net position, the cost of those assets is expensed over the term of the policy as insurance expense.

Prior year	-	
Current year	<u>7,772</u>	7,772

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, the increase in sick leave paid was \$618.

(618)

Changes in net position of governmental activities

\$ (13,584)

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements
For the year ended December 31, 2014

NOTE 1: GENERAL INFORMATION

A. Description of Reporting Entity

Fire District No. 1 of the Borough of Lindenwold is a political subdivision of the Borough of Lindenwold, County of Camden, State of New Jersey. A board of five commissioners oversees all operations of the Fire District. The length of each commissioner’s term is three years with the annual election held the third Saturday of every February.

Fire Districts are governed by the *N.J.S.A. 40A: 14-70* et al. and are taxing authorities charged with the responsibility of providing the resources necessary to provide firefighting services to the residents within its territorial location.

Fire District No. 1 of the Borough of Lindenwold is not a component unit of any other financial reporting entity nor does the Fire District have any component units to be presented in accordance with Governmental Accounting Standards Board Statement No. 14.

B. District Officials

The District is governed by a board of five commissioners. The following were in office at December 31, 2014:

Officials	Term Expires March
Cliff Ruth – Chairman	2015
Vacant – Vice Chairman*	2016
Wayne Hans – Secretary	2017
Raymond McManus – Treasurer	2017
Richard Paul, Jr. – Commissioner	2016

* Mark Blair resigned on July 21, 2014.

C. Accounting Records

The official accounting records of the Fire District are maintained in the office of Fire District No. 1 of the Borough of Lindenwold.

D. Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

E. Component Units

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 whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 1: GENERAL INFORMATION (continued)

E. Component Units (continued)

- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

The basic financial statements report using the economic resources measurement focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements also report using the same focus. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The tax revenues are recognized in the year for which they are levied (see Note 2 O) while grants are recognized when grantor eligibility requirements are met.

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

B. Fund Accounting

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate "fund types."

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Governmental Funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, such as firehouses and fire fighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question of the ballot either during the annual election or at a special election.

C. District Wide and Fund Financial Statements

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

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

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

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

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

In its accounting and financial reporting, the Fire District No. 1 of the Borough of Lindenwold follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB).

E. Budgets and Budgetary Accounting

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A: 14-78.1 et al.

The fire commissioners must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Fire District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

Amendments may be made to the Fire District budget in accordance with N.J.S.A 40A: 14-78.3.

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

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

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Encumbrances

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

Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. The encumbrance at December 31, 2014 totaled \$1,000 for the General Fund.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Fire Districts are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments that may be purchased by Fire Districts.

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

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

I. Debt Limitation

N.J.S.A.40A:14-85 governs procedures for the issuance of any debt related to capital purchases. In summary, Fire Districts may purchase fire fighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or 2 percent of the assessed valuation of property, whichever is larger.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

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

Depreciation is recorded on the straight-line method (with half year depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Equipment	5 to 25 Years
Apparatus	10 to 20 Years

K. Inventory, Materials and Supplies

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

L. Interfund Receivable/Payable

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

M. Compensated Absences

Fire District employees are entitled to sick leave. Unused sick leave may be accumulated up to 910 hours for 35 hour employees and 1,040 hours for 40 hour employees and may be carried forward to subsequent years. Vacation days not used during the year by bureau and dispatch employees may be carried forward up to 35 hours; District 1 employees may not accumulate and carry forward. Benefits paid in any future year will be calculated according to formulas outlined in the Fire District's agreement with the employee's union and included in the current year's budget.

The liability for vested compensated absences is recorded as a non-current liability in the governmental activities fund. The current portion of the compensated absence balance is not considered material to the applicable fund's total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

N. Revenues and Expenditures

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

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

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fire District Taxes

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

P. Fund Equity

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

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

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

Q. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position (continued)

- Unrestricted— Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

R. Use of Estimates

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

S. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In March 2012, the GASB issued Statement 66, *Technical Corrections—2012*—an amendment of GASB Statements No. 10 and No. 62. GASB 66 improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is effective for periods beginning after December 15, 2012 although the District elected to early implement Statement 62 in fiscal year 2012. The adoption of GASB 66 does not have any impact on the District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASB 65 does not have any impact on the District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Unrealized Gains and Losses

Governmental Accounting Standards Board (GASB) has established GASB-31, which requires public agencies to report the financial effect of all unrealized gains and losses on invested funds.

U. Fair Value Measurement

The District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.

Level II – Inputs that include quoted market prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values.

Subsequent to initial recognition, the District may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

The following methods and assumptions were used by the District in estimating the fair value of its financial instruments:

Certificate of Deposit: Valued at the net asset value (NAV) at year end when the NAV is valued at \$1 per unit.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Subsequent Events

Fire District No. 1 of the Borough of Lindenwold has evaluated subsequent events occurring after December 31, 2014 through the date of April 20, 2015, which is the date the financial statements were available to be issued.

NOTE 3: CASH AND CASH EQUIVALENTS

The Fire District is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2014, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$1,091,849
Total deposits	<u>\$1,091,849</u>
Reconciliation to governmental fund statements:	
Governmental Funds	\$1,091,849
Total	<u>\$1,091,849</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2014, the District's bank balance of \$1,150,031 was insured or collateralized as follows:

Insured	\$ 255,154
Collateralized not in the District's Name	
Under GUDPA	<u>894,877</u>
Total	<u>\$1,150,031</u>

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 4: INVESTMENTS

A. Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Fire District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fire District, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fire District's name. All of the District's investments are held in the name of the District and are collateralized by GUDPA.

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Fire District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2014, are provided in the below schedule.

C. Investment Credit Risk

The Fire District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Fire District or bonds or other obligations of the local unit or units within which the Fire District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Fire District;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 4: INVESTMENTS (continued)

C. Investment Credit Risk (continued)

The following table sets forth by level, within the value hierarchy, the District's assets at fair value at December 31, 2014.

	<i>Assets at Fair Value as of December 31, 2014</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	5,154	-	-	5,154
Total assets at fair value	<u>\$ 5,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,154</u>

NOTE 5: CAPITAL ASSETS

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

Fixed assets as of December 31, 2014 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Apparatus	\$ 2,144,462	\$ -	\$ (20,900)	\$ 2,123,562
Equipment	<u>386,258</u>	<u>31,993</u>	<u>(20,330)</u>	<u>397,921</u>
Totals at historical cost	<u>2,530,720</u>	<u>31,993</u>	<u>(41,230)</u>	<u>2,521,483</u>
Less accumulated depreciation				
Apparatus	(1,178,911)	(109,604)	20,900	(1,267,615)
Equipment	<u>(292,889)</u>	<u>(29,860)</u>	<u>20,330</u>	<u>(302,419)</u>
Total accumulated deprection	<u>(1,471,800)</u>	<u>(139,464)</u>	<u>41,230</u>	<u>(1,570,034)</u>
Government activities capital assets, net	<u>\$ 1,058,920</u>	<u>\$ (107,471)</u>	<u>\$ -</u>	<u>\$ 951,449</u>

NOTE 6: PENSION

A. Custodial Credit Risk

Fire District No. 1 of the Borough of Lindenwold contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 6: PENSION (continued)

A. Custodial Credit Risk (continued)

The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A*. The plan was set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plans. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

B. Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 8C below.

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 6: PENSION (continued)

C. Significant Legislation (continued)

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a “target funded ratio”.

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

D. Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Cont. Life</u>	<u>Total Liability</u>	<u>Paid by Fire District</u>
2014	1,272	5,885	485	7,642	7,642
2013	2,106	5,704	119	7,929	7,929
2012	2,208	5,280	446	7,934	7,934

NOTE 7: VESTED EMPLOYEE BENEFITS

In accordance with GASB-16 and NCGA-1 (Governmental Accounting and Financial Reporting Principles), the portion of estimated future payments for compensated absences that will use current expendable resources is reported as a current fund liability in the governmental activities fund and the balance of the liability is reported as non-current liability in the governmental activities fund. For the year ended December 31, 2014 the District did not have a current liability for compensated absences. The amounts included in the long-term liabilities consists of the following:

Total Compensated Absences	2014 \$11,356
----------------------------	-------------------------

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Notes to Financial Statements (continued)
For the year ended December 31, 2014

NOTE 8: POST-EMPLOYMENT HEALTHCARE BENEFITS PLAN

The District participates in the New Jersey State Health Benefits Program (“the SHBP”), which qualifies as a cost-sharing, multiple-employer plan in accordance with GASB Statement 45 “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions” (“OPEB”). The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pensions and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the SHBP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The SHBP is established under the District of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. The required contribution rate is determined on an annual pay as you go basis.

NOTE 9: FUNDING

The activities of the Board of Commissioners are primarily funded by the striking of the fire tax on the property owners of the Fire District, as provided for by the state statute. For the year ended December 31, 2014, the fire tax rate on the Fire District No. 1 was approximately \$.145 per \$100 of assessed valuation.

The tax revenue is supplemented by income earned on surplus funds invested in a money market fund and investments during the year. The District also participates in the Supplemental Fire Services Program and received a basic entitlement grant of approximately \$7,885. As a condition of this grant, the Board must match the grant by 10%.

NOTE 10: FUND BALANCE

General Fund – Of the \$616,008 General Fund fund balance at December 31, 2014, \$92,000 has been assigned to be designated for subsequent year’s expenditures; \$1,000 has been assigned for other purposes; and \$523,008 is unassigned.

Capital Fund – Of the \$440,035 Capital Fund fund balance at December 31, 2014, \$440,035 has been restricted for the Capital Projects Fund.

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Budgetary Comparison Schedule
For the year ended December 31, 2014

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Miscellaneous anticipated revenue:				
Investment income	\$ 1,200	\$ 1,200	\$ 3,248	\$ 2,048
Sale of assets	1,500	1,500	13,249	11,749
Other revenue	50	50	809	759
Total miscellaneous revenues	<u>2,750</u>	<u>2,750</u>	<u>17,306</u>	<u>14,556</u>
Operating grant revenues:				
Supplemental fire service act	<u>7,885</u>	<u>7,885</u>	<u>7,885</u>	<u>-</u>
Total operating grant revenue	<u>7,885</u>	<u>7,885</u>	<u>7,885</u>	<u>-</u>
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues:				
Annual registration fee	18,000	18,000	15,408	(2,592)
Other revenues	<u>16,001</u>	<u>16,001</u>	<u>21,221</u>	<u>5,220</u>
Total uniform fire safety act revenues	<u>34,001</u>	<u>34,001</u>	<u>36,629</u>	<u>2,628</u>
Total miscellaneous revenues offset with appropriations	<u>34,001</u>	<u>34,001</u>	<u>36,629</u>	<u>2,628</u>
Total revenues	<u>44,636</u>	<u>44,636</u>	<u>61,820</u>	<u>17,184</u>
Amount raised by taxation to support district budget	<u>860,214</u>	<u>860,214</u>	<u>860,214</u>	<u>-</u>
Total anticipated revenues	<u>904,850</u>	<u>904,850</u>	<u>922,034</u>	<u>17,184</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	72,957	72,957	66,614	6,343
Fringe benefits	32,450	34,950	33,840	1,110
Other expenditures:				
Professional fees	20,000	18,900	16,040	2,860
Elections	1,300	1,300	488	812
Utilities	24,720	27,820	27,390	430
Office supplies	3,900	5,400	5,120	280
Advertising	1,400	1,400	832	568
Payroll service fees	3,600	4,200	4,174	26
Non-bondable assets	<u>10,000</u>	<u>10,800</u>	<u>10,769</u>	<u>31</u>
Total administration	<u>170,327</u>	<u>177,727</u>	<u>165,267</u>	<u>12,460</u>

FIRE DISTRICT NO. 1 OF THE BOROUGH OF LINDENWOLD
Budgetary Comparison Schedule
For the year ended December 31, 2014

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Cost of operations and maintenance:				
Salaries and wages	90,000	90,500	90,481	19
Fringe benefits	12,885	10,385	8,547	1,838
Other expenditures:				
Rental charges	191,484	191,484	188,120	3,364
Insurance	87,000	89,100	89,061	39
Maintenance and repairs	135,300	153,190	134,805	18,385
Supplies	15,000	16,800	16,721	79
Training and education	17,000	18,300	18,252	48
Uniforms	12,025	12,025	10,872	1,153
SFSG expenses	7,885	9,085	9,070	15
Medical/screening	6,000	6,000	3,879	2,121
Volunteer allowance	45,000	48,000	47,869	131
Other LEA expenses	7,041	7,041	-	7,041
Promotions	8,750	8,750	2,463	6,287
Other non-bondable assets	55,000	38,200	15,038	23,162
Total cost of operations and maintenance	<u>690,370</u>	<u>698,860</u>	<u>635,178</u>	<u>63,682</u>
Operating appropriations offset with revenues:				
Salaries and wages	17,000	17,000	17,000	-
Fringe benefits	2,494	2,494	1,355	1,139
Other expenditures	14,659	16,659	16,501	158
Total operating appropriations offset with revenues	<u>34,153</u>	<u>36,153</u>	<u>34,856</u>	<u>1,297</u>
Capital appropriations	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Total operating appropriations	<u>1,034,850</u>	<u>1,052,740</u>	<u>835,301</u>	<u>217,439</u>
Excess (efficiency) of revenues over (under) expenditures	(130,000)	(147,890)	86,733	234,623
Fund balance, January 1	<u>969,310</u>	<u>969,310</u>	<u>969,310</u>	<u>-</u>
Fund balance, December 31	<u>\$ 839,310</u>	<u>\$ 821,420</u>	<u>\$ 1,056,043</u>	<u>\$ 234,623</u>



Board of Fire Commissioners
Fire District No. 1 of the Borough of Lindenwold

We have audited the basic financial statements of the Fire District No. 1 of the Borough of Lindenwold in the County of Camden, state of New Jersey, for the year ended December 31, 2014. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement.

It is pointed out that the Board of Fire Commissioners has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Examination of Cash Receipts

A test check of cash receipts was made.

Acknowledgment

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

During our review, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions, please contact us.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

Toms River, New Jersey
April 20, 2015