

BOROUGH OF JAMESBURG FIRE DISTRICT #1

COUNTY OF MIDDLESEX, NEW JERSEY

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2015

BOROUGH OF JAMESBURG FIRE DISTRICT #1

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REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2015

Prepared by:
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BOROUGH OF JAMESBURG FIRE DISTRICT #1

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Borough of Jamesburg Fire District #1
County of Middlesex
State of New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Borough of Jamesburg Fire District #1 (the "District") as of and for the year ended which collectively comprise the Fire District's basic financial statements as listed in the table of contents December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – 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 an opinion 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 auditing standards prescribed by the Division of Local Government Service, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 and each major fund of the District as of December 31, 2015, and the respective changes on financial position where applicable, thereof for the year then ended in conformity 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 6-11 and 12-19 be presented 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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

The supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In accordance with *Government Auditing Standards* we have also issued our report dated April 29, 2016 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreement 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the District's financial statements. The LOSAP financial activities are included in the District's Trust Fund as of December 31, 2015.

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the District's financial statements, we do not express an opinion of the LOSAP financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District taken as a whole. The information included in the supplementary schedules is presented for purposes of additional analysis and is not a required part of the financial statements, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Gerard Stankiewicz
Certified Public Accountant



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
April 29, 2016

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

Board of Fire Commissioners
Borough of Jamesburg Fire District #1
County of Middlesex
State of New Jersey

We have audited the financial statements of the Borough of Jamesburg Fire District #1, County of Middlesex, State of New Jersey (the "District"), as of and for the year ended December 31, 2015, and have issued our report thereon dated April 29, 2016. 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.

Internal Control Over Financial Reporting

Management of the Fire District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS – STATUTORY BASIS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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* in the General Comments and Recommendations section of the audit.

This report is intended solely for the information of the District and its management, and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
April 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Borough of Jamesburg Fire District's (District) annual financial report, the management of the District provides narrative discussion and analysis of the financial activities of the District for the audit year ending December 31, 2015.

The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

Discussion of Financial Statements Included in Annual Audit

The District prepares and presents its financial statements on several different bases, because of accounting requirements and for internal use purposes.

The first set of statements which consist of the Statement of Net Position, the Statement of Activities and Change in Net Position is prepared on an accrual basis and is in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. These statements are the official financial statements of the Borough of Jamesburg Fire District #1.

After the first set of statements and the "Notes to the Financial Statements" that follow is the second set of statements. These statements are considered "Supplemental Information".

The District has historically presented its financial statements on a "GAAP Basis", and continues to do so because it relates more fairly to the annual budget for the same period. The annual budget records all encumbrances as charges against the adopted appropriation even if the items or services have not been received.

Contained in the supplemental information are statements that report the Statement of Net Position, Statement of Revenues, Expenditures and Change in Net Position and Statement of Expenditures Compared to Budget. These statements compare the "Budget" revenues and expenses to "Actual" revenues and expenses. They include operating revenues and expenses, nonoperating revenues and nonoperating expenses. Principal and Interest are reported in this statement as Debt Service expense, and depreciation is not reported as an expense. On the "GAAP" based and "Modified GAAP" based, Depreciation Expense is included, and only the Interest Expense component of the Debt Service expense is reported.

The Budget to Actual statement is a very important statement to the District management, because it is how we measure our financial performance, particularly as it compares to the approved and adopted annual budget and how it relates to the operational performance.

Other information or statements incorporated within the annual audit report are the Schedules of Cash and Cash Equivalents – Restricted and Unrestricted and the Schedule of General Obligation Bonds Payable.

For the purpose of the Management Discussion and Analysis, the ensuing discussion will review the official statements of the District, those prepared on an accrual basis and in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. This is the first set of statements included in the annual audit report.

Borough of Jamesburg Fire District #1

Comparative Statement of Net Position

The Borough of Jamesburg Fire District's total Assets decreased \$11,184.55 and total liabilities decreased \$85,475.50. Assets exceed liabilities by \$539,423.09 compared to 2014 where the assets exceeded liabilities by \$468,132.14.

The Borough of Jamesburg Fire District's Net Position of \$539,423.09 is comprised of the following:

1. Invested in Capital Assets, decreased \$26,631.03 and is computed as follows:

	December 31,	
	2015	2014
Capital Assets, Net	\$ 519,264.08	\$ 545,895.11
Less:		
Current Portion	112,832.44	101,037.47
Noncurrent Portion	176,205.28	289,037.72
	\$ 230,226.36	\$ 155,819.92

2. Net Position of \$23,821.00 is assigned for offsetting 2015 budgeted expenses.
3. Restricted for future capital outlay is \$130,638.22, all of which has been appropriated.
4. Unrestricted net position \$154,737.51 represent the portion available to maintain the District's continuing obligations to the residents of its municipality area, its creditors, employees and bondholders and is available to be budgeted as reserve in subsequent years.

Comparative Statement of Net Position (Continued)

Net Position increased by \$71,290.95.

	As of December 31,	
	<u>2015</u>	<u>2014</u>
Total Current Assets	\$ 246,790.29	\$ 255,081.83
Total Restricted Assets	130,638.22	109,900.20
Capital Assets, Net	<u>519,264.08</u>	<u>545,895.11</u>
Total Assets	<u>\$ 896,692.59</u>	<u>\$ 910,877.14</u>
Total Current Liabilities Payable from Current Assets	\$ 68,231.78	\$ 52,669.81
Noncurrent Liabilities	<u>289,037.72</u>	<u>390,075.19</u>
Total Liabilities	<u>\$ 357,269.50</u>	<u>\$ 442,745.00</u>
Restricted:		
Invested in Capital Assets	\$ 230,226.36	\$ 155,819.92
Capital Outlay	130,638.22	109,900.20
Unrestricted:		
Reserved	23,821.00	81,916.00
Unreserved	<u>154,737.51</u>	<u>120,496.02</u>
Net Position	<u>\$ 539,423.09</u>	<u>\$ 468,132.14</u>

Total Current Assets for cash and cash equivalents decreased because of an increase in Current Liabilities Payable from Current Assets and increases in reserve for future use.

Depreciation charged has increased by \$14,062.55.

Total Current Liabilities Payable from Current Assets for accrued expenses have increased because of higher yearend obligations than in the prior years.

Total Noncurrent Liabilities are down because capital lease obligations and bonded indebtedness have been reduced by paydown.

Comparative Statement of Revenues, Expenses and Change in Net Position

There was an increase to Operating Revenues from Taxation of the District. This was due to the voter approved budget in the annual election.

Total Operating Expenses excluding depreciation increased by \$11,751.44 or 3.75% from the prior year.

Total Operating Revenues less Total Operating Expenses produced a gain of \$66,861.56. This was anticipated by the Commissioners in the annual budget.

Total Net Nonoperating Revenue (Expenses) decreased by \$12,283.35.

Net Position as of December 31, 2015 increased \$71,290.95 from \$468,132.14 to \$539,423.09.

	<u>Year Ending December 31,</u>	
	<u>2015</u>	<u>2014</u>
Total Operating Revenues	\$ <u>463,000.00</u>	\$ <u>439,944.00</u>
Operating Expenses	\$ 325,145.63	\$ 313,394.19
Depreciation	<u>70,992.81</u>	<u>56,930.26</u>
Total Expenses	\$ <u>396,138.44</u>	\$ <u>370,324.45</u>
Operating Income/(Loss)	\$ 66,861.56	\$ 69,619.55
Nonoperating Revenues - Net	<u>4,429.39</u>	<u>16,712.74</u>
Change in Net Position	\$ 71,290.95	\$ 86,332.29
Net Position, Beginning	<u>468,132.14</u>	<u>381,799.85</u>
Net Position, Ending	\$ <u><u>539,423.09</u></u>	\$ <u><u>468,132.14</u></u>

Core Competencies

The District provides fire protection services for the Borough of Jamesburg and is the sole Authority for fire protection in the Borough.

The District's offices are contained within a building owned by the Jamesburg Fire Company, Inc. Public meetings are held in accordance with the open public meetings law and as needed special meetings. The Board consists of five (5) members elected by the voters at the annual Fire District Election held on the third Saturday of February. The terms are three years and are staggered terms (2, 2 and 1).

The District's budget is voted on at the Annual Fire District Election. The budget process begins in October with preparing the details and is finalized and introduced in December. A public hearing is held in January. If the voters defeat the budget, then the Mayor and Council of the Borough have the right to set the budget. The budget is prepared on a calendar year basis.

The District has a contract with the fire company for use of their building and for them to provide fire protection services. The Fire Company has approximately 40 volunteer members. The District also participates on a mutual aid consortium for assistance to and from neighboring municipalities.

The main revenue of the District is property taxes which are subject to the annual fire district election. The other sources of revenue are surplus and miscellaneous revenue which accrues to the fund balance of the District.

The majority of the budget relates to insurance, hydrant rentals and repair and maintenance of fire trucks.

Debt Service is appropriated to repay the debt for the purchase of a fire truck approved by the voters of the District. The District every several years acquires a new fire truck.

The District real estate base for 2015 of \$233,986,600 consists mostly of 1,561 residential units with assessed valuation of \$193,403,600 and 106 commercial units valued at \$29,658,700 and are within close proximity to the NJ Turnpike Exit 8A.

Accountability

The Borough of Jamesburg Fire District's mission statement is:

The Mission Statement:

Our mission for the Borough of Jamesburg Fire District is to provide the ultimate in fire protection services. Always responsive to the residents' needs and the growing community, in compliance with the applicable laws, rules and regulations, the District will continue to set and exceed the standards for the protection of the property, while operating the most efficient system and maintaining a cost effective budget.

As the mission reads, this is who and what the District is accountable to. The District's accountability, first and foremost, is to protect the property. The goal is to provide a cost effective and reliable service, and at the same time to protect the property. This means the District is accountable to the residents, the agencies and people served using the same principals: cost effective, efficient, reliable and protective.

As a district, the District is also guided by or accountable to state government and the applicable rules and regulations that govern the Borough of Jamesburg Fire District. More specifically, the District is accountable to the Department of Community Affairs, Division of Local Government Services.

Management of the District

The Commissioner's manage the daily operations of the District in conjunction with the Chief of Fire. The District employs an accountant to handle the bookkeeping operations.

Funding of Infrastructure and Debt Management

The District is required by statute to present it's capital projects or capital assets acquisition to the voters of the District for approval. Once approved, the District can proceed to put the required financing in place; however, subject to the Local Finance Board's approval.

Auditors

The District Auditor is Gerard Stankiewicz, CPA of Samuel Klein and Company.

Audits can be obtained by contacting the Borough of Jamesburg Fire District.

FINANCIAL STATEMENTS

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Balance December 31, <u>2015</u>
<u>ASSETS</u>	
Current Position:	
Cash and Cash Equivalents	\$ 15,290.29
Accounts Receivable	<u>231,500.00</u>
Total Current Position	<u>\$ 246,790.29</u>
Restricted Assets:	
Cash and Cash Equivalents	<u>\$ 130,638.22</u>
Total Restricted Assets	<u>\$ 130,638.22</u>
Noncurrent Assets:	
Capital Assets, Net	<u>\$ 519,264.08</u>
Total Noncurrent Assets	<u>\$ 519,264.08</u>
Total Assets	<u><u>\$ 896,692.59</u></u>
<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets:	
Accounts Payable	\$ 23,518.83
Accrued Expenses	37,691.04
Accrued Interest on Noncurrent Debt	<u>7,021.91</u>
Total Current Liabilities Payable from Current Assets	<u>\$ 68,231.78</u>
Noncurrent Liabilities:	
Due within one year	\$ 112,832.44
Due beyond one year	<u>176,205.28</u>
Total Noncurrent Liabilities	<u>\$ 289,037.72</u>
Total Liabilities	<u><u>\$ 357,269.50</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Balance December 31, <u>2015</u>
<u>NET POSITION</u>	
Restricted:	
Invested in Capital Assets	\$ 230,226.36
For Future Capital Purposes	130,638.22
Unrestricted:	
Reserved	23,821.00
Unreserved	<u>154,737.51</u>
Net Position	<u>\$ 539,423.09</u>

See Accompanying Notes to Financial Statements

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

<u>Functions/Programs</u>	<u>Total</u> <u>Governmental Activities</u> <u>Net Revenue and</u> <u>Change in Net Position</u>	
<u>Governmental Activities:</u>		
<u>Operating Appropriations:</u>		
<u>Administration:</u>		
Paid Positions	\$	13,400.00
Professional Services		32,230.68
Elections		521.00
Office Supplies and Postage		2,881.33
<u>Operations and Maintenance:</u>		
Fire Hydrant Rentals		53,977.18
Insurance Premiums		46,857.00
Advertising		110.24
Training and Education		4,973.98
Uniforms and Personal Equipment		13,820.72
Utilities and Related Services		19,467.47
Maintenance and Repairs		60,390.21
Contingent		1,936.52
Service Contracts		32,500.00
Miscellaneous Truck Supplies		8,734.66
LOSAP		19,000.00
Unallocated Depreciation		70,992.81
Interest on Noncurrent Debt		14,344.64
Total Governmental Activities	\$	<u>396,138.44</u>
<u>General Revenues</u>		
<u>Taxes:</u>		
General Purposes	\$	346,586.04
Debt Service	<u>116,413.96</u>	\$ 463,000.00
Investment Earnings		325.00
Miscellaneous		<u>4,104.39</u>
	\$	<u>467,429.39</u>
Increase in Net Position		71,290.95
Net Position - Beginning		<u>468,132.14</u>
Net Position - Ending	\$	<u><u>539,423.09</u></u>

See accompanying Notes to Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART I

BOROUGH OF JAMESBURG FIRE DISTRICT NO. 1
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and Cash Equivalents	\$ 15,290.29		\$ 130,638.22		\$ 145,928.51
Accounts Receivable - District Taxes	231,500.00				231,500.00
Total Assets	<u>\$ 246,790.29</u>	<u>\$ -</u>	<u>\$ 130,638.22</u>	<u>\$ -</u>	<u>\$ 377,428.51</u>
Liabilities:					
Accounts Payable	\$ 23,518.83				\$ 23,518.83
Accrued Expenses	37,691.04				37,691.04
Total Liabilities	<u>\$ 61,209.87</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,209.87</u>
Net Position:					
Assigned - Designated for Subsequent Year's Expenditures	\$ 23,821.00		\$ 130,638.22		\$ 154,459.22
Unassigned	161,759.42				161,759.42
Total Net Position	<u>\$ 185,580.42</u>	<u>\$ -</u>	<u>\$ 130,638.22</u>	<u>\$ -</u>	<u>\$ 316,218.64</u>

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The Cost of the Net Position is \$1,816,430.33 and the Accumulated Depreciation is \$1,297,166.25. (Note 4)

\$ 519,264.08

Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Lease Purchase Agreements Payable (Note 5)

(289,037.72)

Certain liabilities are not due and payable in the current period, and therefore, are not reported in funds:

Accrued Interest on Noncurrent Debt

(Accrued interest is a current liability that will be paid from the debt service fund.

Therefore, the liability reduces the restricted for debt service net position balance.)

(7,021.91)

Net Position of Governmental Activities (A-1)

\$ 539,423.09

See accompanying Notes to the Basic Financial Statements.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenue:					
Miscellaneous Revenue	\$ 2,565.21	\$ 1,864.18			\$ 4,429.39
Amount to be Raised by Taxation to Support the District Budget	<u>346,586.04</u>			<u>\$ 116,413.96</u>	<u>463,000.00</u>
Total Revenues	<u>\$ 349,151.25</u>	<u>\$ 1,864.18</u>	<u>\$ -</u>	<u>\$ 116,413.96</u>	<u>\$ 467,429.39</u>
Expenditures:					
Administration	\$ 49,033.01				\$ 49,033.01
Cost of Operations and Maintenance	240,903.80	\$ 1,864.18			242,767.98
Length of Service Award Program	19,000.00				19,000.00
Capital Projects			\$ 44,361.78		44,361.78
Debt Service:					
Principal				\$ 101,037.47	101,037.47
Interest				<u>15,376.49</u>	<u>15,376.49</u>
Total Expenditures	<u>\$ 308,936.81</u>	<u>\$ 1,864.18</u>	<u>\$ 44,361.78</u>	<u>\$ 116,413.96</u>	<u>\$ 471,576.73</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 40,214.44</u>	<u>\$ -</u>	<u>\$ (44,361.78)</u>	<u>-</u>	<u>\$ (4,147.34)</u>
Transfer of Fund Balance	\$ (65,099.80)		\$ 65,099.80		
Change in Net Position	\$ (24,885.36)	\$ -	\$ 20,738.02	-	\$ (4,147.34)
Net Position, January 1	<u>210,465.78</u>		<u>109,900.20</u>		<u>320,365.98</u>
Net Position, December 31	<u>\$ 185,580.42</u>	<u>\$ -</u>	<u>\$ 130,638.22</u>	<u>-</u>	<u>\$ 316,218.64</u>

See accompanying Notes to the Basic Financial Statements.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN NET POSITION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Total Net Change in Net Position - Governmental Funds (From B-2)	\$	(4,147.34)
--	----	------------

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

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. This is the amount by which capital outlays exceeded depreciation in the period.

	\$	44,361.78	
Capital Outlay			
Depreciation Expense		(70,992.81)	(26,631.03)

Miscellaneous Revenue which for purposes of GAAP are recognized; however not for Governmental Funds.

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position and is not reported in the statement of activities.		101,037.47
--	--	------------

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.		1,031.85

Change in Net Position of Governmental Activities (from A-2)	\$	<u>71,290.95</u>
--	----	------------------

See accompanying Notes to the Basic Financial Statements.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Deferred Compensation LOSAP <u>(Unaudited)</u>
<u>ASSETS</u>	
Cash and Investments with Fiscal Agents	\$ 306,279.65
Contributions Receivable	<u>17,294.64</u>
Total Current Assets	<u><u>\$ 323,574.29</u></u>
<u>NET POSITION</u>	
Held in Trust For:	
Deferred Compensation	<u>\$ 323,574.29</u>
Total Net Position	<u><u>\$ 323,574.29</u></u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF CHANGE IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Deferred Compensation LOSAP <u>(Unaudited)</u>
Additions	
Contributions:	
District Contributions	\$ 17,294.64
Total Contributions	<u>17,294.64</u>
Investment Earnings:	
Interest	<u>807.91</u>
Net Investment Earnings	<u>807.91</u>
Total Additions	<u>\$ 18,102.55</u>
Deductions	
Benefits paid to Participants or Beneficiaries	\$ 10,690.42
Prior Year Contribution Adjustments	<u>1,474.68</u>
Total Deductions	<u>\$ 12,165.10</u>
Change in Net Position	\$ 5,937.45
Net Position - January 1	<u>317,636.84</u>
Net Position - December 31	<u><u>\$ 323,574.29</u></u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. **REPORTING ENTITY**

This report includes the financial statements of the Borough of Jamesburg Fire District #1 (the "District"), within the County of Middlesex, in the State of New Jersey and reflects the activities for the District that are under the control of the Board of Fire Commissioners.

The District was established in accordance with the provisions of N.J.S.A. 40A:14-70.

The District is not a component unit of any other financial reporting entity nor does the District have any component units to be presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14/61.

Note 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

The accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Fund Accounting

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

Governmental Funds

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

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources, such as state or federal government grants and appropriations that are legally restricted to expenditures for specified purposes.

Capital Project 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 fire houses 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 that must be authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for resources that will be used to service general noncurrent liabilities recorded in the General Noncurrent Debt Account Group.

Capital Assets – Property, plant and equipment purchased by the general fund and the capital projects fund are recorded as expenditures at the time of purchase. The historical cost, or if such cost is not practically determinable, the estimated historical cost, of such fixed assets is reflected in the Capital Assets account.

Fiduciary Funds

The Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Volunteer Length of Service Award Plan ("LOSAP")

The Fire District has established a volunteer Length of Service Award Plan ("LOSAP")("Plan") to ensure retention of the Borough of Jamesburg's volunteer fire department. The plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of service plan under section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the statement of net position. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the fall of each preceding year for the general, special revenue, and debt service funds. The budgets are submitted to the State, Department of Community Affairs, Division of Local Government Services, Bureau of Authority Regulation for approval and are voted upon by the registered voters of the Borough at the annual fire district election on the third Saturday in February. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts. Transfers of appropriations may be made by District resolution at any time during the last three months of the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2015 through April 29, 2016, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Authority that would require disclosure.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3. **CASH AND CASH EQUIVALENTS AND INVESTMENTS**

A. **Cash**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, fire districts are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The amount on deposit of District's cash and cash equivalents at December 31, 2015 was \$158,159.21.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Analysis

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

As of December 31, 2015, there were no securities categorized as Investments as defined by GASB Statement No. 3 as amended by No. 40.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2015, capital assets and the useful lives used for determination of annual depreciation were as follows:

	Balance December 31, <u>2014</u>	<u>Current Year's Activity</u>		Balance December 31, <u>2015</u>	<u>Useful Life</u>
		<u>Increase</u>	<u>Decrease</u>		
Improvements	\$ 207,096.87			\$ 207,096.87	10-15 Years
Trucks	1,161,109.03	\$ 44,361.78		1,205,470.81	10-15 Years
Equipment	331,679.80			331,679.80	10 Years
Vehicles	<u>72,182.85</u>			<u>72,182.85</u>	5 Years
	\$ 1,772,068.55	\$ 44,361.78		\$ 1,816,430.33	
Less:					
Accumulated Depreciation	<u>1,226,173.44</u>	<u>\$ 70,992.81</u>		<u>1,297,166.25</u>	
	<u>\$ 545,895.11</u>	<u>\$ (26,631.03)</u>		<u>\$ 519,264.08</u>	

Accumulated depreciation at December 31, 2015 was \$1,297,166.25

Depreciation expense for the years ended December 31, 2015 and 2014 were \$70,992.81 and \$56,930.26 respectively.

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. NONCURRENT DEBT

A. Serial Bonds

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The full faith and credit of the Fire District are hereby irrevocably pledged for the punctual payment of the principal of and the interest on the bonds according to its terms.

The bonds are not subject to redemption prior to maturity.

Serial bonds outstanding as of December 31, 2015 consisted of the following:

2006 Series Bonds

On February 17, 2005, the voters of the District approved a referendum authorizing the purchase of a new fire truck. The referendum approved the issuance of bonds or notes in the amount of \$395,000.00. On December 15, 2006, General Obligation Bonds were sold to provide permanent funding for the new fire truck. Repayment of these bonds will be accomplished over a period of ten years and funds will be provided in the annual budget to meet the annual debt service requirements. Interest is payable semi-annually on the 15th day of June and December at an interest rate of 4.49%. The bonds are due annually on December 15th.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

	<u>2006 Series Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending December 31, 2016	<u>\$ 60,000.00</u>	<u>\$ 2,694.00</u>	<u>\$ 62,694.00</u>
	<u>\$ 60,000.00</u>	<u>\$ 2,694.00</u>	<u>\$ 62,694.00</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. NONCURRENT DEBT (CONTINUED)

B. Capital Lease Obligations Payable

The District is leasing equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2015:

Year Ending December 31,	Equipment		Total
	Principal	Interest	
2016	\$ 27,155.61	\$ 870.06	\$ 28,025.67
	<u>\$ 27,155.61</u>	<u>\$ 870.06</u>	<u>\$ 28,025.67</u>

Year Ending December 31,	Truck			Grand Total
	Principal	Interest	Total	
2016	\$ 25,676.83	\$ 7,772.46	\$ 33,449.29	\$ 61,474.96
2017	26,665.39	6,783.90	33,449.29	33,449.29
2018	27,692.01	5,757.28	33,449.29	33,449.29
2019	28,758.15	4,691.14	33,449.29	33,449.29
2020	29,865.34	3,583.95	33,449.29	33,449.29
2021	31,015.15	2,434.14	33,449.29	33,449.29
2022	<u>32,209.24</u>	<u>1,240.05</u>	<u>33,449.29</u>	<u>33,449.29</u>
	<u>\$ 201,882.11</u>	<u>\$ 32,262.92</u>	<u>\$ 234,145.03</u>	<u>\$ 262,170.70</u>

C. Summary of Debt

During the fiscal year ended December 31, 2015 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
Bonds Payable - General Obligation Debt	\$ 110,000.00		\$ (50,000.00)	\$ 60,000.00	\$ 60,000.00	
Capital Leases	<u>280,075.19</u>		<u>(51,037.47)</u>	<u>229,037.72</u>	<u>52,832.44</u>	<u>\$ 176,205.28</u>
	<u>\$ 390,075.19</u>		<u>\$ (101,037.47)</u>	<u>\$ 289,037.72</u>	<u>\$ 112,832.44</u>	<u>\$ 176,205.28</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. LENGTH OF SERVICE AWARDS PROGRAM

On February 20, 1999, the voters of the District approved a referendum authorizing the establishment of a Length of Service Awards Program (LOSAP). The LOSAP will provide tax-deferred income benefits to the active volunteer firefighters who are eligible to participate.

The LOSAP funds are administered independently and distinct from the District and are subject to a review in accordance with the American Institute of Certified Public Accountants Standards for Accounting and Review Services. The required annual review report as of December 31, 2015 has been prepared.

All amounts of compensation deferred under the Program and all income attributed to those amounts are the exclusive property of the Fire District, subject to the claims of its general creditors. Participants' rights under the Program are equal to those of a general creditor of the Fire District in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Fire District would use Program assets to satisfy claims of the general creditors in the future.

The District has selected Variable Annuity Life Insurance Company (VALIC) to administer its LOSAP Program. As of December 31, 2015, the District's LOSAP Program had cash, cash equivalents and investment of \$306,279.95.

Contributions for last three (3) years are as follows:

<u>Year</u>	<u>District Contribution</u>	<u>Contribution per Member</u>
2015	\$ 17,294.64	\$ 720.61
2014	14,412.20	720.61
2013	17,123.52	713.48

BOROUGH OF JAMESBURG FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. PENSION PLAN

The District does not participate in the State of New Jersey Public Employee Retirement System (PERS) and therefore, is not required to provide accounting in accordance with GASB#68 – Accounting for Pension Liabilities.

Note 8. CONTINGENT LIABILITIES

The District's Attorney representation has revealed no material contingent liability for the District.

Note 9. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets, to the extent expended consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. 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.

Note109. FUND BALANCE APPROPRIATED

Unrestricted:

General Fund – Of the \$185,580.42 General Fund balance at December 31, 2015, \$23,821.00 is assigned and has been designated for subsequent years expenditures and appropriated and included as anticipated revenue for the year ended December 31, 2015, and \$161,759.42 is unassigned and undesignated.

Restricted:

Capital Projects Fund – Of the \$130,638.22 fund balance at December 31, 2015, all has been designated as part of the 2015 budget for subsequent years expenditures.

OTHER INFORMATION

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2015

	Budget as <u>Adopted</u>	Budget as <u>Modified</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
Amount to be Raised by Taxation	\$ 346,584.00	\$ 346,584.00	\$ 346,586.04	\$ 2.04
Total Revenue	\$ 346,584.00	\$ 346,584.00	\$ 346,586.04	\$ 2.04
Appropriations:				
Operating Appropriations:				
Administration:				
Paid Positions	\$ 14,900.00	\$ 14,900.00	\$ 13,400.00	\$ 1,500.00
Professional Services	34,250.00	34,250.00	32,230.68	2,019.32
Elections	3,500.00	3,500.00	521.00	2,979.00
Office Supplies and Postage	5,200.00	5,200.00	2,881.33	2,318.67
Total Administration	57,850.00	57,850.00	49,033.01	8,816.99
Operations and Maintenance:				
Fire Hydrant Rentals	70,000.00	70,000.00	53,977.18	16,022.82
Insurance Premiums	46,000.00	47,000.00	46,857.00	143.00
Advertising	750.00	750.00	110.24	639.76
Training and Education	7,500.00	7,500.00	4,973.98	2,526.02
Uniforms and Personal Equipment	10,000.00	13,900.00	13,820.72	79.28
Utilities and Related Services	23,000.00	23,000.00	19,467.47	3,532.53
Radio Service/Repair	5,000.00	5,000.00	3,545.00	1,455.00
Diesel Gas Fuel	5,000.00	5,000.00	2,058.80	2,941.20
Truck Service/Repair	15,000.00	16,200.00	16,121.05	78.95
Equipment Testing	5,000.00	3,800.00	3,799.45	0.55
Building Maintenance	25,000.00	24,000.00	30,827.36	(6,827.36)
Building Supplies	2,000.00	2,000.00	2,174.37	(174.37)
Air Pack & Bottle Repair	1,800.00	1,800.00		1,800.00
Service Contracts	32,500.00	32,500.00	32,500.00	
Contingent	25,000.00	25,000.00	1,936.52	23,063.48
Miscellaneous Truck Supplies	13,000.00	9,100.00	8,734.66	365.34
Total Operations and Maintenance	286,550.00	286,550.00	240,903.80	45,646.20
LOSAP	19,000.00	19,000.00	19,000.00	
Total General Fund Appropriations	\$ 363,400.00	\$ 363,400.00	\$ 308,936.81	\$ 54,463.19

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2015

Reconciliation of Budget:

Budgeted Revenue	\$ 346,584.00
Budgeted Appropriations	<u>363,400.00</u>
Excess: Net Position Utilized	\$ <u>16,816.00</u>

Analysis of Actual:

Cash Disbursed:	
Operating	\$ 261,492.98
Accounts Payable	23,518.83
Accrued Expenses	<u>23,925.00</u>
	\$ <u>308,936.81</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	December 31, <u>2015</u>
<u>REVENUES</u>	
SFSP	\$ <u>1,864.18</u>
<u>EXPENDITURES</u>	
Expenditures	\$ <u>1,864.18</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2015

	December 31, 2015
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ <u>130,638.22</u>
Total Assets	\$ <u><u>130,638.22</u></u>
<u>NET POSITION</u>	
Restricted	\$ <u>130,638.22</u>
Total Net Position	\$ <u><u>130,638.22</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2015

EXPENDITURES

Capital Expenditures	\$ <u>44,361.78</u>
Total Expenditures	\$ <u>44,361.78</u>
Excess of Revenues Over Expenditures	(44,361.78)
Operating Transfer In/(Out):	
Transfer from General Fund	<u>65,099.80</u>
	\$ <u>20,738.02</u>
Net Position, beginning	\$ <u>109,900.20</u>
Net Position, ending	\$ <u><u>130,638.22</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date Current Year</u>	<u>Unexpended Balance December 31, 2015</u>
Chief's Vehicle	02/17/14	\$ 75,000.00	\$ 44,361.78	\$ 30,638.22
Improvements to the Firehouse	05/15/14	<u>100,000.00</u>	<u> </u>	<u>100,000.00</u>
		<u>\$ 175,000.00</u>	<u>\$ 44,361.78</u>	<u>\$ 130,638.22</u>
 Revenue:				
Reserve for Future Capital Outlay		\$ 109,900.20		
General Fund Fund Balance		<u>65,099.80</u>		
		<u>\$ 175,000.00</u>		

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
GOVERNMENTAL FUNDS - DEBT SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Excess/ (Deficit)</u>
Revenue:			
Amount to be Raised by Taxation	\$ 116,416.00	\$ 116,413.96	\$ (2.04)
Total Revenue	<u>\$ 116,416.00</u>	<u>\$ 116,413.96</u>	<u>\$ (2.04)</u>
Appropriation:			
Principal on Bonds	\$ 50,000.00	\$ 50,000.00	
Principal on Capital Leases	51,038.00	51,037.47	\$ 0.53
Interest on Capital Leases	4,939.00	4,939.00	
Interest on Bonds	<u>10,439.00</u>	<u>10,437.49</u>	<u>1.51</u>
Total Appropriations	<u>\$ 116,416.00</u>	<u>\$ 116,413.96</u>	<u>\$ 2.04</u>
<u>Reconciliation of Budget:</u>			
Budgeted Revenue	\$ 116,416.00		
Budgeted Appropriations	<u>116,416.00</u>		
Excess: Net Position Utilized	<u>\$ None</u>		
<u>Analysis of Actual:</u>			
Cash Disbursed		<u>\$ 116,413.96</u>	

REQUIRED SUPPLEMENTARY INFORMATION – PART II

OTHER SCHEDULES

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
GENERAL FUND, DEBT SERVICE FUND AND CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH AND CASH EQUIVALENTS
YEAR ENDED DECEMBER 31, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receipts:					
District Taxes	\$ 115,086.04		\$ 116,413.96		\$ 231,500.00
Interest on Investments	325.00				325.00
Transfer from General Fund				\$ 65,099.80	65,099.80
Miscellaneous	<u>2,240.21</u>	<u>\$ 1,864.18</u>			<u>4,104.39</u>
	<u>\$ 117,651.25</u>	<u>\$ 1,864.18</u>	<u>116,413.96</u>	<u>\$ 65,099.80</u>	<u>\$ 301,029.19</u>
Disbursements:					
Accounts Payable	\$ 12,333.42				\$ 12,333.42
Accrued Expenses	18,516.59				18,516.59
Operating Appropriations	261,492.98	\$ 1,864.18			263,357.16
Transfer to Capital Projects Fund	65,099.80				65,099.80
Capital Projects				44,361.78	44,361.78
Principal on Bonds			50,000.00		50,000.00
Interest on Bonds			4,939.00		4,939.00
Principal on Capital Lease			51,037.55		51,037.55
Interest on Capital Lease			<u>10,437.41</u>		<u>10,437.41</u>
	<u>\$ 357,442.79</u>	<u>\$ 1,864.18</u>	<u>116,413.96</u>	<u>44,361.78</u>	<u>\$ 520,082.71</u>
Increase/(Decrease) in Cash and Cash Equivalents	\$ (239,791.54)			\$ 20,738.02	\$ (219,053.52)
Cash and Cash Equivalents, January 1, 2015	<u>255,081.83</u>			<u>109,900.20</u>	<u>364,982.03</u>
Cash and Cash Equivalents, December 31, 2015	<u>\$ 15,290.29</u>			<u>\$ 130,638.22</u>	<u>\$ 145,928.51</u>
Analysis of Cash and Cash Equivalents:					
Cash - Checking	\$ 15,194.70			\$ 4,801.83	\$ 19,996.53
Money Market				125,836.39	125,836.39
Petty Cash	<u>95.59</u>				<u>95.59</u>
	<u>\$ 15,290.29</u>			<u>\$ 130,638.22</u>	<u>\$ 145,928.51</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Paid</u>	<u>Balance December 31, 2015</u>
Purchase of Mid Mount Pumper	12/15/2006	\$ 395,000.00	12/15/2016	\$ 60,000.00	4.49%	\$ <u>110,000.00</u>	\$ <u>50,000.00</u>	\$ <u>60,000.00</u>

BOROUGH OF JAMESBURG FIRE DISTRICT #1
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
YEAR ENDED DECEMBER 31, 2015

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Maturity</u>	<u>Amount of Original Issue</u>	<u>Balance January 1, 2015</u>	<u>Increased by New Lease</u>	<u>Paid</u>	<u>Balance December 31, 2015</u>
Fire Equipment (ScottAir Packs)	3.204%	11/17/16	\$27,155.61	\$ 127,605.18	\$ 53,468.16	\$ 26,312.55	\$ 27,155.61
Fire Apparatus	3.146%	2/10/16	\$25,676.83	\$ 273,341.00	226,607.03	24,724.92	201,882.11
		2/10/17	26,665.39				
		2/10/18	27,692.01				
		2/10/19	28,758.15				
		2/10/20	29,865.34				
		2/10/21	31,015.15				
		2/10/22	32,209.24				
				<u>\$ 280,075.19</u>		<u>\$ 51,037.47</u>	<u>\$ 229,037.72</u>

SUPPLEMENTARY INFORMATION

BOARD OF FIRE COMMISSIONERS
BOROUGH OF JAMESBURG FIRE DISTRICT #1
STATISTICAL INFORMATION
DECEMBER 31, 2015

Property Tax Levies

Following is a tabulation of the district's assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding five (5) years:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Levy</u>	<u>Property Tax Rate</u>
2015	\$ 235,158,644	\$ 463,000.00	0.197
2014	236,203,523	439,944.00	0.187
2013	236,719,949	416,944.00	0.176
2012	239,102,903	393,944.00	0.165
2011	239,131,156	394,900.00	0.166

Unreserved Net Position

<u>Fiscal Year Ended</u>	<u>End of Fiscal Year</u>	<u>Utilization in Subsequent Budget</u>
December 31, 2015	\$ 185,580.42	\$ 23,821.00
December 31, 2014	210,465.78	81,916.00
December 31, 2013	191,680.94	39,865.00
December 31, 2012	176,974.28	54,011.00
December 31, 2011	171,068.61	52,057.00

Reserved Net Position

<u>Fiscal Year Ended</u>	<u>End of Fiscal Year</u>	<u>Utilization in Subsequent Budget</u>
December 31, 2015	None	None
December 31, 2014	\$ 109,900.20	\$ 109,900.20
December 31, 2013	99,900.20	None
December 31, 2012	89,900.20	None
December 31, 2011	54,900.20	None

BOARD OF FIRE COMMISSIONERS
BOROUGH OF JAMESBURG FIRE DISTRICT #1
ROSTER OF OFFICIALS
DECEMBER 31, 2015

<u>Board of Commissioners</u>	<u>Position</u>	<u>Amount of Surety Bond</u>
Brian Wright	Chairman	
Patrick J. Connelly, Jr.	Vice Chairman	
Dina Walker	Treasurer	\$ 50,000.00 *
William Stonaker	Vice Treasurer	
Nancy Linke	Secretary/Clerk	

Other Officials

Joseph D. Youssouf, Esq.	Board Attorney
PNC Bank	Official Depository

* Surety Company

First Responder Insurance Fund
Bond #FIR110104-97

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2015

Scope of Examination and Conditions of Records

Our examination covered the funds of the Board of Fire Commissioners, Fire District #1, Borough of Jamesburg handled by the Treasurer.

The financial records were maintained in good condition.

Minutes of Board meetings were properly maintained by the Recording Secretary.

Cash and Cash Equivalents

The balances in banks at December 31, 2015 were verified with the bank and reconciliations and/or statements issued by the depositories.

Our examination revealed that the Fire District maintains funds in a money market fund.

Examination of Claims

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Claims paid during the period under audit were examined on a test basis to determine that they are submitted on Board vouchers, audit, itemized, signed by the officials as to approval for payment, allocation to the proper accounts and charged to the proper fiscal period, and in agreement with bill lists set forth in the approved minutes of the Board.

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

N.J.S. 40A:11-4 (as amended) states, "Every contract or agreement, for the performance of any work or the 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 after public act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate \$17,500.00 in the absence of a Qualified Purchasing Agent ("QPA"), except by contract or agreement."

The members of the Borough of Jamesburg Fire District #1 have the responsibility of determining whether any contract or agreement might result in violation of the statute and, when necessary, the Board Attorney's opinion should be sought before a commitment is made.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2015

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (as amended)
(Continued)

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

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with provisions of N.J.S.A. 40A:11-21.

The District has purchased firefighting equipment utilizing the state contract method during the year in accordance with the Local Public Contracts bidding threshold.

LOSAP

The Length of Service Awards Program as Accountants Review Report for December 31, 2015 has been prepared.

Miscellaneous

An exit conference was held in accordance with Auditing Standards Generally Accepted in the United States of America for governmental entities.

Acknowledgment

During the course of the audit, we received the cooperation of the officials of the Fire District and we appreciate the courtesies extended to us.

RECOMMENDATIONS
DECEMBER 31, 2015

None.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gerard Stankiewicz". The signature is written in a cursive style with a large initial "G".

Gerard Stankiewicz, CPA, RMA
For The Firm
SAMUEL KLEIN AND COMPANY