

**Borough of Englishtown Fire District No. 1  
Monmouth County, New Jersey**

**Financial Statements  
December 31, 2015 and 2014  
With Independent Auditors' Report**

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**December 31, 2015 and 2014**

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# **BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Our discussion and analysis of the Borough of Englishtown Fire District No. 1's financial performance provides an overview of the District's financial activities for the years ended December 31, 2015 and 2014.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how district services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a Board for the benefit of those outside of the government.

### **Reporting on the District as a Whole**

#### **The Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's equipment that was regularly inspected by the chief to assess the overall health of the District.

In the Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position, we divide the District into two kinds of activities;

- General Fund activities – Most of the District's basic services are reported here. Property Tax Levies finance most of these activities.

# BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1

## Management's Discussion and Analysis (continued)

- Capital Fund activities – The District's equipment acquisitions are financed by prior levies and approved by the taxpayers. The District's acquisitions are reported here.

### Reporting on the District's Most Significant Funds

#### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants.

- General funds – Most of the District's basic services are reported in general funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The general fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. General fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between general fund activities (reported in the Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position) and capital funds in reconciliation at the bottom of the fund financial statements.

### The District as a Board

#### Reporting on the District's Fiduciary Responsibilities

The District is a board of commissioners formed for the safety and protection of the residents within its boundaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### THE DISTRICT AS A WHOLE

For the years ended December 31, 2015 and 2014, net position changed as follows:

	2015 GAAP Basis		Total	Increase (Decrease) over 2014	Percentage Increase (Decrease)
	General Fund Activities	Capital Fund Activities			
Assets					
Current and other assets	\$ 607,609	\$ -	\$ 607,609	\$ 75,335	14.15%
Capital assets	-	773,231	773,231	(62,678)	-7.50%
Total assets	<u>\$ 607,609</u>	<u>\$ 773,231</u>	<u>\$ 1,380,840</u>	<u>\$ 12,657</u>	0.93%
Total liabilities	\$ 295,043	\$ 355,908	\$ 650,951	\$ 56,715	9.54%
Net position					
Net investment in capital assets			410,451	(73,502)	-15.19%
Restricted for capital acquisitions			200,680	37,157	22.72%
Unrestricted			118,758	(7,713)	-6.10%
Total net position			<u>729,889</u>	<u>(44,058)</u>	-5.69%
Total liabilities and net position			<u>\$ 1,380,840</u>	<u>\$ 12,657</u>	0.93%

# BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1

## Management's Discussion and Analysis (continued)

	2014 GAAP Basis			Increase (Decrease) over 2013	Percentage Increase (Decrease)
	General Fund Activities	Capital Fund Activities	Total		
<b>Assets</b>					
Current and other assets	\$ 532,274	\$ -	\$ 532,274	\$ 16,288	3.16%
Capital assets	-	835,909	835,909	(95,678)	-10.27%
<b>Total assets</b>	<b>\$ 532,274</b>	<b>\$ 835,909</b>	<b>\$ 1,368,183</b>	<b>\$ (79,390)</b>	<b>-5.48%</b>
<b>Total liabilities</b>	<b>\$ 249,236</b>	<b>\$ 345,000</b>	<b>\$ 594,236</b>	<b>\$ (58,920)</b>	<b>-9.02%</b>
<b>Net position</b>					
Net investment in capital assets			483,953	(24,393)	-4.80%
Restricted for capital acquisitions			163,523	5,000	3.15%
Unrestricted			126,471	(1,077)	-0.84%
Total net position			<u>773,947</u>	<u>(20,470)</u>	-2.58%
<b>Total liabilities and net position</b>			<b>\$ 1,368,183</b>	<b>\$ (79,390)</b>	<b>-5.48%</b>

In current year, net position was reduced by \$44,000 or 6% due to purchase of various firefighting equipment, mainly self-contained breathing apparatus cylinders, and legal fee in relation of issuing bond anticipation notes. In 2014, the District's decrease in net position due to increase in depreciation expense as to new assets purchased.

### Governmental Activities

The General Fund is used mainly to provide fire protection to its residents, educate the public as to fire prevention and precaution, and to train qualified personnel. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. Capital Fund Activities is used mainly to provide for the acquisition of major fire equipment for fire extinguishment.

### THE DISTRICT'S FUNDS

The following schedule presents a summary of general, capital fund revenues and expenditures for the fiscal years ended December 31, 2015 and 2014 and the amount and percentage of increases and decreases in relation to the prior years.

	2015 GAAP Basis	Percentage of Total Revenues	Increase (Decrease) over 2014	Percentage Increase (Decrease)
<b>Revenues</b>				
District taxes	\$ 460,000	97.32%	\$ 12,000	2.68%
Supplemental fire services grant	444	0.09%	-	0.00%
Interest income	297	0.06%	71	31.42%
Uniform fire safety act revenues	11,706	2.48%	(4,860)	-29.34%
Miscellaneous income	220	0.05%	(3,341)	-93.82%
	<u>\$ 472,667</u>	<u>100.00%</u>	<u>\$ 3,870</u>	<u>0.83%</u>

For the year ended December 31, 2015, the District experienced an increase in total revenues of approximately \$4,000 or 1%. The increase is due mainly from increase in district taxes.

# BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1

## Management's Discussion and Analysis (continued)

	2014 GAAP Basis	Percentage of Total Revenues	Increase (Decrease) over 2013	Percentage Increase (Decrease)
<b>Revenues</b>				
District taxes	\$ 448,000	95.56%	\$ 18,781	4.38%
Supplemental fire services grant	444	0.09%	-	0.00%
Interest income	226	0.05%	(15)	-6.22%
Uniform fire safety act revenues	16,566	3.53%	7,328	79.32%
Miscellaneous income	3,561	0.77%	(3,875)	-52.11%
	<u>\$ 468,797</u>	<u>100.00%</u>	<u>\$ 22,219</u>	<u>4.98%</u>

For the year ended December 31, 2014, the District experienced an increase in total revenue of approximately \$22,000 or 5%. The increase is due mainly from increase in district taxes.

	2015 GAAP Basis	Percentage of Total Expenditures	Increase (Decrease) over 2014	Percentage Increase (Decrease)
<b>Expenditures</b>				
Elections	\$ 852	0.16%	\$ (342)	-28.64%
Office expenses	2,560	0.50%	704	37.93%
Professional services	36,860	7.13%	5,995	19.42%
Advertising	389	0.08%	(225)	-36.64%
Salary and wages	33,800	6.54%	10,150	42.92%
Fringe benefits	49,896	9.66%	18	0.04%
Training	15,827	3.06%	5,427	52.18%
Uniform fire safety act expenses	12,909	2.50%	(5,551)	-30.07%
Insurance	71,230	13.78%	7,692	12.11%
Dues and subscriptions	1,246	0.24%	(659)	-34.59%
Maintenance and repairs	59,423	11.50%	6,024	11.28%
Rental charges	25,500	4.93%	-	0.00%
Non-bondable fire fighting equipment	58,087	11.24%	7,474	14.77%
Fuel purchase	7,588	1.47%	(3,577)	-32.04%
Utilities	27,917	5.40%	(6,683)	-19.32%
Bond interest	15,313	2.96%	411	2.76%
Bond note interest	1,650	0.31%	600	57.14%
Depreciation expense	95,678	18.52%	-	0.00%
	<u>\$ 516,725</u>	<u>100.00%</u>	<u>\$ 27,458</u>	<u>5.61%</u>

Some expenditures are contractual in nature and because of market fluctuations, they can vary from year to year depending on the circumstances. Overall, the District experienced an increase in total expenditures of approximately \$27,000 or 6% due to increase of professional services in relation of issuing bond anticipation note. Increase of insurance, salary and wage and non-bondable firefighting equipment also contributes to higher expenditures of 2015 than 2014.

# BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1

## Management's Discussion and Analysis (continued)

	2014 GAAP Basis	Percentage of Total Expenditures	Increase (Decrease) over 2013	Percentage Increase (Decrease)
Expenditures				
Elections	\$ 1,194	0.24%	\$ 303	34.01%
Office expenses	1,856	0.38%	(224)	-10.77%
Professional services	30,865	6.31%	(4,758)	-13.36%
Advertising	614	0.13%	275	81.12%
Salary and wages	23,650	4.83%	2,296	10.75%
Fringe benefits	49,878	10.19%	203	0.41%
Training	10,400	2.13%	(2,205)	-17.49%
Uniform fire safety act expenses	18,460	3.77%	3,844	26.30%
Insurance	63,538	12.99%	4,992	8.53%
Dues and subscriptions	1,905	0.39%	755	65.65%
Maintenance and repairs	53,399	10.91%	476	0.90%
Rental charges	25,500	5.21%	-	0.00%
Non-bondable fire fighting equipment	50,613	10.34%	51	0.10%
Fuel purchase	11,165	2.28%	1,480	15.28%
Utilities	34,600	7.07%	5,764	19.99%
Bond interest	14,902	3.05%	(2,960)	-16.57%
Bond note interest	1,050	0.20%	(900)	-46.15%
Depreciation expense	95,678	19.56%	7,816	8.90%
	<u>\$ 489,267</u>	<u>100.00%</u>	<u>\$ 17,208</u>	<u>3.65%</u>

Some expenditures are contractual in nature and because of market fluctuations, they can vary from year to year depending on the circumstances. Overall, the District experienced an increase in total expenditures of approximately \$17,000 or 4% in 2014, mainly due to increase of utilities, insurance, and depreciation expense.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The budget relied on the expectation of an increase in the district tax rate. The district tax rate increased slightly which produced an increase in tax revenue of approximately \$12,000.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

For the years ended December 31, 2015 and 2014, capital assets changed as follows:

	2014 GAAP Basis	Additions	Deletions	2015 GAAP Basis	Percentage Increase (Decrease)
Buildings	\$ 400,000	\$ -	\$ -	\$ 400,000	0.00%
Building improvements	49,122	-	-	49,122	0.00%
Fire trucks	1,150,483	-	-	1,150,483	0.00%
Other vehicles	107,047	-	-	107,047	0.00%
Equipment	192,012	-	-	192,012	0.00%
Construction in progress	-	33,000	-	33,000	100.00%
	<u>1,898,664</u>	<u>33,000</u>	<u>-</u>	<u>1,931,664</u>	<u>1.74%</u>

(continued on the following page)

# BOROUGH OF ENGLISHTOWN FIRE DISTRICT NO. 1

## Management's Discussion and Analysis (continued)

	2014 GAAP Basis	Additions	Deletions	2015 GAAP Basis	Percentage Increase (Decrease)
Accumulated depreciation	1,062,755	95,678	-	1,158,433	9.00%
Capital assets, net	\$ 835,909	\$ (62,678)	\$ -	\$ 773,231	-7.50%

The District accounted for its purchase of firefighting equipment and building improvement in the current year.

	2013 GAAP Basis	Additions	Deletions	2014 GAAP Basis	Percentage Increase (Decrease)
Buildings	\$ 400,000	\$ -	\$ -	\$ 400,000	0.00%
Building improvements	49,122	-	-	49,122	0.00%
Fire trucks	1,150,483	-	-	1,150,483	0.00%
Other vehicles	107,047	-	-	107,047	0.00%
Equipment	192,012	-	-	192,012	0.00%
	1,898,664	-	-	1,898,664	0.00%
Accumulated depreciation	967,077	95,678	-	1,062,755	9.89%
Capital assets, net	\$ 931,587	\$ (95,678)	\$ -	\$ 835,909	-10.27%

The District did not have any additions or deletions in 2014.

### Debts

At year end, the District had \$335,000 in district bonds and bond anticipation note versus \$345,000 last year. The slight decrease was due to the pay down of debt during the year and a new issued bond for \$60,000.

#### Outstanding Debts at Year End Government Activities

	12/31/15	12/31/14
Fire District Bonds	\$ 275,000	\$ 330,000
Bond Anticipation Note	60,000	15,000
Total Debts	\$ 335,000	\$ 345,000

More detailed information about the District's long-term liabilities is presented in Note 9 and 10 to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Next year's general fund budget was determined based on a slight increase in the district tax rate. Some of the significant capital asset items approved in this year's budget will be deferred to subsequent years.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our District's citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at P. O. Box 1, Englishtown, New Jersey 07726.



## INDEPENDENT AUDITORS' REPORT

Board of Fire Commissioners  
Borough of Englishtown Fire District No. 1  
Monmouth County, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Borough of Englishtown Fire District No. 1, Monmouth County, New Jersey as of and for the years ended December 31, 2015 and 2014, and related notes to the financial statements, which collectively comprise Borough of Englishtown Fire District No. 1's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Borough of Englishtown Fire District No. 1's 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in compliance with the audit requirements prescribed 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 opinion.

## Opinion

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 Borough of Englishtown Fire District No. 1, Monmouth County, New Jersey as of December 31, 2015 and 2014, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

The accounting principles generally accepted in the United States of America required that the Management's Discussion and Analysis on page A1 through A6 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Borough of Englishtown Fire District No. 1's basic financial statements. The accompanying financial information listed as Supplementary Information and Other Schedules, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 and 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Other Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Statistical Information and Roster of Officials have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an 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 October 17, 2016 on our consideration of the Borough of Englishtown Fire District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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* in considering Borough of Englishtown Fire District No. 1's internal control over financial reporting and compliance.

*Withum Smith + Brown, PC*

October 17, 2016

**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**

**Independent Auditors' Report**

Board of Fire Commissioners  
Borough of Englishtown Fire District No. 1  
Monmouth County, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Borough of Englishtown Fire District No. 1, Monmouth County, New Jersey, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Borough of Englishtown Fire District No. 1's basic financial statements, and have issued our report thereon dated October 17, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Borough of Englishtown Fire District No. 1's internal control over financial reporting 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 Borough of Englishtown Fire District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Englishtown Fire District No. 1'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. Given these limitations, during our audits 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 Borough of Englishtown Fire District No. 1's 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 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*.

### **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.



October 17, 2016

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**December 31, 2015**

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>Assets</b>					
Cash	\$ 606,775	\$ -	\$ 606,775	\$ -	\$ 606,775
Prepaid expenses	834	-	834	-	834
Interfund receivable	-	200,680	200,680	(200,680)	-
Deferred charges to future taxation	-	338,386	338,386	(338,386)	-
Capital assets, net	-	-	-	773,231	773,231
Total assets	<u>\$ 607,609</u>	<u>\$ 539,066</u>	<u>\$ 1,146,675</u>	<u>\$ 234,165</u>	<u>\$ 1,380,840</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 27,531	\$ 20,908	\$ 48,439	\$ -	\$ 48,439
Payroll tax liabilities	2,448	-	2,448	-	2,448
Accrued interest on bonds and notes	6,872	-	6,872	-	6,872
Reserve for SFSG	645	-	645	-	645
Reserve for LOSAP	149,419	-	149,419	-	149,419
Reserve for fire official trust	72,649	-	72,649	35,479	108,128
Interfund payable	200,680	-	200,680	(200,680)	-
Improvement authorizations	-	112,451	112,451	(112,451)	-
Fire district bonds payable - current	-	55,000	55,000	-	55,000
Bond anticipation note	-	60,000	60,000	-	60,000
Total current liabilities	<u>460,244</u>	<u>248,359</u>	<u>708,603</u>	<u>(277,652)</u>	<u>430,951</u>
Other liabilities					
Fire district bonds payable - long-term	-	220,000	220,000	-	220,000
Total liabilities	<u>460,244</u>	<u>468,359</u>	<u>928,603</u>	<u>(277,652)</u>	<u>650,951</u>
<b>Fund Balances and Net Position</b>					
Fund balances					
Committed					
Capital improvements	-	15,707	15,707	(15,707)	-
Assigned					
Appropriation reserves	60,218	-	60,218	(60,218)	-
Designated for subsequent years' expenditures	62,894	55,000	117,894	(117,894)	-
Unassigned					
General fund	24,253	-	24,253	(24,253)	-
Total fund balances	<u>147,365</u>	<u>70,707</u>	<u>218,072</u>	<u>(218,072)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 607,609</u>	<u>\$ 539,066</u>	<u>\$ 1,146,675</u>		
Net position					
Net investment in capital assets				410,451	410,451
Restricted for capital acquisitions				200,680	200,680
Unrestricted				118,758	118,758
Total net position				<u>\$ 729,889</u>	<u>\$ 729,889</u>

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

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**December 31, 2014**

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
<b>Assets</b>					
Cash	\$ 509,910	\$ -	\$ 509,910	\$ -	\$ 509,910
Prepaid expenses	22,364	-	22,364	-	22,364
Interfund receivable	-	163,523	163,523	(163,523)	-
Deferred charges to future taxation	-	348,386	348,386	(348,386)	-
Capital assets, net	-	-	-	835,909	835,909
Total assets	<u>\$ 532,274</u>	<u>\$ 511,909</u>	<u>\$ 1,044,183</u>	<u>\$ 324,000</u>	<u>\$ 1,368,183</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 37,322	\$ -	\$ 37,322	\$ -	\$ 37,322
Payroll tax liabilities	2,576	-	2,576	-	2,576
Accrued interest on bonds and notes	6,956	-	6,956	-	6,956
Fire district bonds payable - current	-	55,000	55,000	-	55,000
Bond anticipation note	-	15,000	15,000	-	15,000
Reserve for SFSG	645	-	645	-	645
Reserve for LOSAP	101,419	-	101,419	-	101,419
Reserve for fire official trust	64,839	-	64,839	35,479	100,318
Interfund payable	163,523	-	163,523	(163,523)	-
Improvement authorizations	-	101,202	101,202	(101,202)	-
Total current liabilities	<u>377,280</u>	<u>171,202</u>	<u>548,482</u>	<u>(229,246)</u>	<u>319,236</u>
Other liabilities					
Fire district bonds payable - long-term	-	275,000	275,000	-	275,000
Total liabilities	<u>377,280</u>	<u>446,202</u>	<u>823,482</u>	<u>(229,246)</u>	<u>594,236</u>
<b>Fund Balances and Net Position</b>					
Fund balances					
Committed					
Capital improvements	-	65,707	65,707	(65,707)	-
Assigned					
Appropriation reserves	56,699	-	56,699	(56,699)	-
Designated for subsequent years' expenditures	66,070	-	66,070	(66,070)	-
Unassigned					
General fund	32,225	-	32,225	(32,225)	-
Total fund balances	<u>154,994</u>	<u>65,707</u>	<u>220,701</u>	<u>(220,701)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 532,274</u>	<u>\$ 511,909</u>	<u>\$ 1,044,183</u>		
Net position					
Net investment in capital assets				483,953	483,953
Restricted for capital acquisitions				163,523	163,523
Unrestricted				126,471	126,471
Total net position				<u>\$ 773,947</u>	<u>\$ 773,947</u>

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

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Statement of Revenues, Expenses and Changes in Governmental**  
**Fund Balances and Net Position**  
**Year Ended December 31, 2015**

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Activities</u>
Expenditures:					
Operating appropriations	\$ 475,296	\$ -	\$ 475,296	\$ 41,429	\$ 516,725
Reserve for future capital outlays	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total expenditures	480,296	-	480,296	36,429	516,725
Revenues and other financing sources:					
Revenues:					
District taxes	460,000	-	460,000	-	460,000
Supplemental fire services grant	444	-	444	-	444
Interest income	297	-	297	-	297
Uniform fire safety act revenues	11,706	-	11,706	-	11,706
Miscellaneous income	<u>220</u>	<u>-</u>	<u>220</u>	<u>-</u>	<u>220</u>
Total revenues	472,667	-	472,667	-	472,667
Transfers:					
Reserve for future capital outlays	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total transfers	-	5,000	5,000	(5,000)	-
Total revenues and transfers	<u>472,667</u>	<u>5,000</u>	<u>477,667</u>	<u>(5,000)</u>	<u>472,667</u>
Excess (deficit) of revenues and transfers over expenditures	(7,629)	5,000	(2,629)	2,629	-
Changes in net position	-	-	-	(44,058)	(44,058)
Fund balances / net position:					
Beginning of the year	<u>154,994</u>	<u>65,707</u>	<u>220,701</u>	<u>553,246</u>	<u>773,947</u>
End of year	<u>\$ 147,365</u>	<u>\$ 70,707</u>	<u>\$ 218,072</u>	<u>\$ 511,817</u>	<u>\$ 729,889</u>

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



**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Statement of Revenues, Expenses and Changes in Governmental**  
**Fund Balances and Net Position**  
**Year Ended December 31, 2014**

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Activities</u>
Expenditures:					
Operating appropriations	\$ 463,589	\$ -	\$ 463,589	\$ 25,678	\$ 489,267
Reserve for future capital outlays	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total expenditures	468,589	-	468,589	20,678	489,267
Revenues and other financing sources:					
Revenues:					
District taxes	448,000	-	448,000	-	448,000
Supplemental fire services grant	444	-	444	-	444
Interest income	226	-	226	-	226
Unifrom fire safety act revenues	16,566	-	16,566	-	16,566
Miscellaneous income	<u>3,561</u>	<u>-</u>	<u>3,561</u>	<u>-</u>	<u>3,561</u>
Total revenues	468,797	-	468,797	-	468,797
Transfers:					
Reserve for future capital outlays	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total revenues and transfers	<u>468,797</u>	<u>5,000</u>	<u>473,797</u>	<u>(5,000)</u>	<u>468,797</u>
Excess of revenues and transfers over expenditures	208	5,000	5,208	(5,208)	-
Changes in net position	-	-	-	(20,470)	(20,470)
Fund balances / net position					
Beginning of the year	154,786	60,304	215,090	579,327	794,417
Cancellation of unexpended balances of improvement authorizations	<u>-</u>	<u>403</u>	<u>403</u>	<u>(403)</u>	<u>-</u>
End of year	<u>\$ 154,994</u>	<u>\$ 65,707</u>	<u>\$ 220,701</u>	<u>\$ 553,246</u>	<u>\$ 773,947</u>

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

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
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**December 31, 2015 and 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General Statement**

The accounting policies of the Borough of Englishtown Fire District No. 1 (the District) conform to the accounting principles generally accepted in the United States of America and the standards applicable to special districts which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. For the years ended December 31, 2015 and 2014 the financial statements of the Borough of Englishtown Fire District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

The district is an instrumentality of the State of New Jersey, established to function as a special district. The Board of Fire Commissioners consists of elected officials and is responsible for the fiscal control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

*Combined Fund and Government-wide Financial Statements*

As a special purpose governmental entity engaged in a single governmental program the District has opted to present its financial data in the form of combined fund and government-wide financial statements to simplify their annual financial reporting process.

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 three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The District does not maintain any proprietary or fiduciary funds.

Governmental Fund Types

*General Fund:* The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

*Capital Fund:* The capital fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities and firefighting equipment. The financial resources are from

**Borough of Englishtown Fire District No. 1**  
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reservation of fund balance that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at special election.

In conformity with GASB 34, the District's combined fund and government-wide financial statements present adjustments to reconcile the general and capital fund balances to net position.

The District also adopted the provisions of Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and Statement No. 65 "Items Previously Reported as Assets and Liabilities". Statement No. 63 requires that Deferred Outflows of Resources be reported in a separate section after the assets, Deferred Inflows of Resources be reported in a separate section after liabilities, and replaces the term "Statement of Net Assets" with "Statement of Net Position". Statement No. 65 amends the financial statement classification of certain items to be included in the deferred inflows and outflow categories.

The adoption of Governmental Accounting Standards Board Statements 34, 63 and 65 have no significant effect on the basic financial statements, except for changing the term "Net Assets" to "Net Position" throughout the financial statements in accordance with Statement No. 63.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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. Significant estimates include the useful lives of capital assets and depreciation expense.

**Basis of Accounting**

*Fund Basis of Accounting*

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable 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. 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.

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

*Government-wide Basis of Accounting*

The government-wide statements are presented using the accrual basis of accounting. Under the full accrual basis, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**Borough of Englishtown Fire District No. 1**  
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**Budgets/Budgetary Control**

Annual budgets are prepared each year for the operations of the fire districts. The budgets are approved by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The budgets are then voted upon by the public. Budgetary transfers may be made during the last two months of the year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and the fund basis of accounting previously described. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at year end.

**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. Specific encumbrances in governmental funds are reported as liabilities at year end as they constitute expenditures or rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the following year. The balance of unencumbered appropriations is recorded as a reserve to fund balance for unrecorded expenditures and commitments that pertain to the prior year. At the end of the following year, an entry will be made to fund balance for expended appropriations of the prior year.

**Fixed Assets**

In the fund financial statements, fixed assets used in governmental operations are accounted for as expenditures of the government fund upon acquisition.

In the government-wide basis of accounting, fixed assets are accounted for as capital assets. The District generally capitalizes assets with a cost of \$5,000 or more as outlays occur. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable.

The cost of normal maintenance and repairs that do not add the value to the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Depreciation of all fixed assets is recorded as an operating expense in the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position with accumulated depreciation reflected in the Statement of Net Position and Governmental Funds Balance Sheet. Depreciation is provided over the assets' estimated useful lives using the straight line method of depreciation, generally 10-20 years for fire trucks, 5 years for other vehicles, 10 years for equipment, 20 years for building improvements, and 40 years for buildings.

**Impairment of Capital Assets**

In accordance with the provisions of the pronouncement related to accounting and financial reporting for impairment of capital assets, the District assesses capital assets for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset have both significantly and

**Borough of Englishtown Fire District No. 1**  
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unexpectedly declined. For the years ended December 31, 2015 and 2014 management has determined that there was no impairment of capital assets.

**Interfund Transactions and Balances**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers between the general and capital fund of the District net to zero on the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those transactions are reported as interfund receivables and payables on the fund basis of accounting. Interfund payables and receivables between funds are eliminated in the Statement of Net Position and Governmental Funds Balance Sheet.

**Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund. For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**Net Position**

*Fund Basis*

Fund balance is reported in classifications depicting the relative strength of the constraint that controls how specific amounts can be spent. Classifications are as follow:

- Nonspendable – includes amounts that are not in a spendable form or not expected to be converted to cash (inventory, for example) or are legally and contractually required to be maintained intact (principal of an endowment fund, for example).
- Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors, contributors, creditors, or law or regulations of other governments or through enabling legislation that creates a new revenue source and restricts its use. Restrictions may be changed or lifted with the consent of resource providers.
- Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board of Commissioners. The constraint can only be removed or changed by taking the same type of action the District employed to commit those amounts. Such formal action consists of an affirmative vote by the Board of Commissioners.
- Assigned – comprises amounts intended to be used by the District for specific purposes, but are neither restricted nor committed. Intent is expressed by the District Board of Commissioners.
- Unassigned – this is the residual amount for the General Fund, and represents fund balance that has not been restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance.

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*Government-wide Basis*

Net position is classified in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and related debt.
- Restricted for capital acquisitions – Current balance consists of net position restricted for the expansion of the fire house, purchase of real property, fire truck, brush truck and equipment.
- Unrestricted net position – All net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

**Advertising**

The District expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2015 and 2014 approximated \$400 and \$600, respectively.

**Reclassifications**

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassifications had no effect on the fund balances and net position.

**2. ADJUSTMENTS TO ARRIVE AT NET POSITION**

**Capital Assets - Net and Net Investment in Capital Assets**

For the years ended December 31, 2015 and 2014 capital assets, net in the amount of \$773,231 and \$835,909, respectively, and net investment in capital assets in the amount of \$410,451 and \$483,953, respectively, have been included in the government-wide presentation.

**Interfund Receivable and Payable**

For the years ended December 31, 2015 and 2014 interfund receivables and payables in the amount of \$200,680 and \$163,523, respectively, have been eliminated in arriving at the government-wide presentation.

**Deferred Charges to Future Taxation**

For the years ended December 31, 2015 and 2014 deferred charges to future taxation in the amount of \$338,386 and \$348,386, respectively, have been eliminated in arriving at the government-wide presentation.

**Fund Balances, Unrestricted Net Position, and Net Position Restricted for Capital Acquisitions**

For the years ended December 31, 2015 and 2014 fund balances in the amounts of \$218,072 and \$220,701, respectively, have been eliminated. Unrestricted net position in the amounts of \$118,758 and \$126,471, respectively, and net position restricted for capital acquisitions in the amounts of \$200,680 and \$163,523, respectively, has been included in the government-wide presentation.

**Improvement Authorizations**

Improvement authorizations, which are liabilities that represent the District's earmarking of fund balance for a specified future project, do not represent liabilities as defined by U.S. generally accepted accounting principles. Therefore, for the years ended December 31, 2015 and 2014, improvement authorizations in the amounts of \$112,451 and \$101,202 respectively, have been eliminated in arriving at the government-wide presentation.

**Borough of Englishtown Fire District No. 1**  
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**Reserve for Fire Official Trust**

In the governmental-wide basis of accounting, capital assets purchased with reserve fire official trust fund are accounted as fixed assets. Therefore, for the years ended December 31, 2015 and 2014, capital assets purchased against the reserve fire official trust fund in an amount of \$35,479 in each year have been returned to reserve in arriving at the government-wide presentation.

**3. ADJUSTMENTS TO ARRIVE AT THE CHANGES IN NET POSITION**

**Operating Appropriations**

For the year ended December 31, 2015, depreciation expense in the amount of \$95,678 has been included in the government-wide presentation. Additionally, principal payments on serial bonds and notes have been decreased by \$70,000. In addition, non-bondable firefighting equipment has been increased by \$15,751 for non-capital assets purchased through improvement authorizations. The net effect on operating appropriations is an increase of \$41,429.

For the year ended December 31, 2014, depreciation expense in the amount of \$95,678 has been included in the government-wide presentation. Additionally, principal payments on serial bonds and notes have been decreased by \$70,000. The net effect on operating appropriations is an increase of \$25,678.

**Reserve for Future Capital Outlays and Related Transfers**

For the years ended December 31, 2015 and 2014 reserve for future capital outlays and related transfers were reduced by \$5,000 each year on the government-wide presentation to eliminate the general fund expenditure and capital fund revenue related to the creation of future improvement authorizations.

**Cancellation of Unexpended Balances of Improvement Authorizations**

Cancellation of unexpended portions of capital projects are considered income in the year cancelled for budgetary purposes. For GAAP purposes, \$403 is eliminated on the government-wide presentation for no revenue was recognized for the year ended December 31, 2014. No improvement authorizations were cancelled during the year ended December 31, 2015.

**4. DEPOSITS AND INVESTMENTS**

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 by any other agency of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 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.

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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 which mature within one year. Collateralization of fund investments is generally not required.

The cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums. Cash determined by the Board of Commissioners consists of all bank accounts including short term certificates of deposits.

As of December 31, 2015 and 2014 the District's cash accounts consisted of:

	<b>2015</b>	<b>2014</b>
Brunswick - Checking	\$ 236,689	\$ 147,931
Brunswick - Savings	297,437	297,140
Brunswick - Trust	<u>72,649</u>	<u>64,839</u>
Total Cash	<u>\$ 606,775</u>	<u>\$ 509,910</u>

The carrying amount of the Board's cash at December 31, 2015 was \$606,775 and the bank balance was \$646,903. Of the balance, \$250,000 was covered by federal depository insurance and \$396,903 was covered by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental units' deposits in excess of the federal deposit maximums.

The cash deposits held at financial institutions can be categorized according to three levels of risk as described below:

Category 1	Deposits which are covered by FDIC, or collateralized by securities held by the District or its agent, in the District's name	\$ 250,000
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or Agent in the District's name	396,903
Category 3	Deposits which are not collateralized or insured	-

**Investments**

New Jersey statutes establish the following securities as eligible for the investment of District funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- (c) Bonds or other obligations of the District or bonds or other obligations of school districts of which the district is a part or within which the school district is located.



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- (d) Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- (e) Qualified mutual funds with portfolios limited to (i) bonds or other obligations of, or guaranteed by, the United States of America; and (ii) repurchase agreements fully collateralized by such obligations. These investments must be transacted only through national or state banks located within New Jersey.

During the year, the District had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2015, no such investments were held by the District.

**5. ASSESSMENT AND COLLECTION OF MONEY AUTHORIZED BY VOTERS**

Upon proper certification pursuant to Section 9 of P.L. 1979 c. 453 (C 40[A]:14-79), the assessor of the municipality, in which the fire district is situate, shall assess the amount to be raised by taxation to support the district budget against the taxable property therein, in the same manner as municipal taxes are assessed and the same amount shall be assessed, levied and collected at the same time and in the same manner as other municipal taxes.

The collector or treasurer of the municipality, in which said district is situate, shall pay over all moneys so assessed to the treasurer or custodian of funds of said fire district as follows; on or before April 1, an amount equaling 21.25% of all moneys so assessed; on or before July 1, an amount equaling 22.50% of all monies so assessed; on or before October 1, an amount equaling 25% of all monies so assessed; and on or before December 31, an amount equaling the difference between the total of all monies so assessed and the total amount of such monies previously paid over, to be held and expended for the purpose of providing and maintaining means for extinguishing fires in such district.

Notwithstanding anything herein to the contrary, the municipal governing body may authorize, in the cash management plan adopted by it pursuant to N.J.S. 40A:5-14, a schedule of payments of fire districts moneys by which an amount greater than required on any of the first three payment dates cited herein may be paid over. The municipal governing body and board of fire commissioners may, by concurrent resolution, adopt a schedule of payments of fire district moneys by which an amount less than required in any of the first three payment dates, cited herein may be paid over. Such resolution shall be included in the cash management plan adopted by the municipal governing body pursuant to N.J.S. 40A:5-14.

The commissioners may also pay back, or cause to be paid back to such municipality, any funds or any part thereof paid to the treasurer or custodian of funds of such fire district by the collector or treasurer of the municipality, representing taxes levied for fire district purposes but not actually collected in cash by said collector or treasurer.

**6. FUNDING**

The activities of the Borough of Englishtown Fire District No. 1 are primarily funded by the striking of a fire tax on the property owners of the Fire District, as provided for by state statute. For the years ended December 31, 2015 and 2014, the fire tax rate on Fire District No. 1 was \$.192 and \$.180, respectively, per \$100 of assessed valuation.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

The tax revenue is supplemented by income earned on surplus funds invested in savings during the year. Additionally, revenues are generated by the fire bureau through participation in the Uniform Fire Safety Act.

The District also participates in the Supplemental Fire Services Program. For each of the years ended December 31, 2015 and 2014, the District received \$444.

**7. LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

The Fire District offers its employees a Length of Service Award Program in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Program permits the District to provide tax-deferred income benefits to active volunteer members of an emergency service organization. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

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 Lincoln Financial Group, its agent, to administer its LOSAP program. Contributions by the District to this program have been made each year since its inception. For 2015 and 2014 the budgeted amount of contribution was \$48,000 each year, and the contributions made in 2015 and 2014 was \$- and \$39,648, respectively. The remaining budget is reserved for future distribution. Since this plan is administered by an outside insurance company, it was not made part of this audit. Details of this program can be obtained from Borough of Englishtown Fire District No. 1 upon request.

**8. CAPITAL ASSETS**

The following schedule is a summarization of the capital assets by source for the years ended December 31, 2015 and 2014:

Description	January 1, 2015	Additions	Deletions	December 31, 2015
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 33,000	\$ -	\$ 33,000
Capital assets being depreciated:				
Buildings	400,000	-	-	400,000
Buildings improvements	49,122	-	-	49,122
Fire trucks	1,150,483	-	-	1,150,483
Other vehicles	107,047	-	-	107,047
Equipment	192,012	-	-	192,012
Total	1,898,664	-	-	1,898,664

*(continued on the following page)*

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

Description	January 1, 2015	Additions	Deletions	December 31, 2015
Less accumulated depreciation:				
Buildings	205,000	10,000	-	215,000
Buildings improvements	16,275	3,320	-	19,595
Fire trucks	639,304	47,524	-	686,828
Other vehicles	52,331	15,633	-	67,964
Equipment	149,845	19,201	-	169,046
Total	1,062,755	95,678	-	1,158,433
Total capital assets being depreciated, net	835,909	(95,678)	-	740,231
Net capital assets	\$ 835,909	\$ (62,678)	\$ -	\$ 773,231

Description	January 1, 2014	Additions	Deletions	December 31, 2014
Capital assets being depreciated:				
Buildings	\$ 400,000	\$ -	\$ -	\$ 400,000
Buildings improvements	49,122	-	-	49,122
Fire trucks	1,150,483	-	-	1,150,483
Other vehicles	107,047	-	-	107,047
Equipment	192,012	-	-	192,012
Total	1,898,664	-	-	1,898,664
Less accumulated depreciation:				
Buildings	195,000	10,000	-	205,000
Buildings improvements	12,955	3,320	-	16,275
Fire trucks	591,780	47,524	-	639,304
Other vehicles	36,698	15,633	-	52,331
Equipment	130,644	19,201	-	149,845
Total	967,077	95,678	-	1,062,755
Total capital assets being depreciated, net	\$ 931,587	\$ (95,678)	\$ -	\$ 835,909

Depreciation expense for the years ended December 31, 2015 and 2014 was \$95,678 each year.

**9. LONG-TERM DEBTS**

The District's long-term debts consisted of the following at December 31, 2015:

Purpose	Date of Issue	Original Issue	Interest Rate	As of 12/31/15
Fire district bond - pumper	01/20/2010	\$ 550,000	4.500%	\$ 275,000
Less: current maturity				55,000
Fire district bond payable - long-term				\$ 220,000

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

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Future debt service requirements for fire district bond are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 55,000	\$ 11,138	\$ 66,138
2017	55,000	8,663	63,663
2018	55,000	6,188	61,188
2019	55,000	3,712	58,712
2020	55,000	1,237	56,237
Total	<u>\$ 275,000</u>	<u>\$ 30,938</u>	<u>\$ 305,938</u>

Interest expense for 2015 and 2014 amounted to \$15,313 and \$14,902, respectively. The increase is due to late payment charge.

**10. BOND ANTICIPATION NOTE**

On July 1, 2015, the District issued a \$60,000 bond anticipation note for the repairs and improvements to the fire house mechanical room and a new washer and dryer. The bond anticipation note bears interest rate of 4.00% and matured on July 1, 2016. The District paid down the note \$20,000 on July 1, 2016 and rolled over the balance. The interest expense accrued for 2015 amounted to \$1,200.

On October 10, 2011, the District issued a \$60,000 bond anticipation note for the repairs and improvements to the fire house property and parking area. The District paid down the note \$15,000 each year and rolled over the balance. The bond anticipation note bears interest rate of 4.00%. The bond anticipation note was paid off on October 4, 2015. The interest expense for 2015 and 2014 amounted to \$450 and \$1,050, respectively.

**11. RESERVE FOR FIRE OFFICIAL TRUST**

In March 2012, an ordinance was adopted for the District to take over the duty of bureau fire inspection. The District received approximately \$98,000 from the Borough of Englishtown. The fund is to be utilized for expenditures in compliance with the New Jersey Uniform Fire Safety Act. For the years ended December 31, 2015 and 2014, the balance of reserve for fire official trust was \$72,649 and \$64,839, respectively.

**12. LITIGATION**

As of the date of this report there is no litigation pending which, if decided adversely to the District, would have a material impact on the District.

**13. RISK ASSESSMENT**

The District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

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**14. COMMITMENT**

In June 2015, the District awarded lights and HVAC project and electrical room project to Hutchinson Mechanical Services. The District made \$9,492 for the project during current year and expected to pay \$17,322 in 2016 when the project is completed.

**15. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events occurring after December 31, 2015 through the date of October 17, 2016, which is the date the financial statements were available to be issued. Based on this evaluation, the District has determined the following subsequent event requires disclosure in the financial statements.

Bond Anticipation Note

As included in Note 10, the District paid down \$20,000 of \$60,000 note in July 2016.

**Borough of Englishtown Fire District No. 1  
Monmouth County, New Jersey**

**Supplementary Information**

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – All Governmental Fund Types**  
**Year Ended December 31, 2015**

	Governmental Fund Type		Total Actual Amounts			Budgeted Amounts		Budgetary Variance
	General Fund	Capital Fund	Budgetary Basis	Adjustments Note B	GAAP Basis	Original	Final	
<b>Revenues</b>								
District taxes	\$ 460,000	\$ -	\$ 460,000	\$ -	\$ 460,000	\$ 460,000	\$ 460,000	\$ -
Supplemental fire services grant	444	-	444	-	444	444	444	-
Interest income	297	-	297	-	297	-	-	297
Uniform fire safety act revenues	11,706	-	11,706	-	11,706	14,000	14,000	(2,294)
Miscellaneous income	220	-	220	-	220	-	-	220
Fund balance utilized - unrestricted	-	-	-	-	-	66,070	66,070	(66,070)
Total revenues	472,667	-	472,667	-	472,667	540,514	540,514	(67,847)
<b>Transfers</b>								
Reserve for future capital outlays	-	5,000	5,000	(5,000)	-	-	-	5,000
Total transfers	-	5,000	5,000	(5,000)	-	-	-	5,000
Total revenues and transfers	472,667	5,000	477,667	(5,000)	472,667	540,514	540,514	(62,847)
<b>Expenditures</b>								
Operating appropriations								
Administration								
Elections	852	-	852	-	852	1,500	1,500	648
Office expenses	2,560	-	2,560	-	2,560	4,000	4,000	1,440
Professional services	36,860	-	36,860	-	36,860	40,000	40,000	3,140
Advertising	389	-	389	-	389	1,700	1,700	1,311
Total administration	40,661	-	40,661	-	40,661	47,200	47,200	6,539
Operations and maintenance								
Salary and wages								
Commissioners	33,800	-	33,800	-	33,800	33,800	33,800	-
Total salary and wages	33,800	-	33,800	-	33,800	33,800	33,800	-
Fringe benefits								
LOSAP	48,000	-	48,000	-	48,000	48,000	48,000	-
Fringe benefits	1,896	-	1,896	-	1,896	2,300	2,300	404
Total fringe benefits	49,896	-	49,896	-	49,896	50,300	50,300	404

(continued on the following page)

**See Independent Auditors' Report.**  
**The accompanying Notes to Supplementary Information are an integral part of this schedule.**

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – All Governmental Fund Types**  
**Year Ended December 31, 2015**

	Governmental Fund Type		Total Actual Amounts			Budgeted Amounts		Budgetary Variance
	General Fund	Capital Fund	Budgetary Basis	Adjustments Note B	GAAP Basis	Original	Final	
Other expenses								
Training	15,827	-	15,827	-	15,827	25,000	25,000	9,173
Uniform fire safety act expenses	12,909	-	12,909	-	12,909	14,000	14,000	1,091
Insurance	71,230	-	71,230	-	71,230	75,000	75,000	3,770
Dues and subscriptions	1,246	-	1,246	-	1,246	2,500	2,500	1,254
Maintenance and repairs	59,423	-	59,423	-	59,423	65,000	65,000	5,577
Rental charges	25,500	-	25,500	-	25,500	25,500	25,500	-
Non-bondable - fire fighting equipment	42,336	-	42,336	15,751 (1)	58,087	58,000	55,167	12,831
Fuel purchase	7,588	-	7,588	-	7,588	15,000	15,000	7,412
Utilities	27,917	-	27,917	-	27,917	40,000	40,000	12,083
Bond principal	55,000	-	55,000	(55,000) (1)	-	55,000	55,000	-
Bond interest	15,313	-	15,313	-	15,313	13,614	16,447	1,134
Bond note principal	15,000	-	15,000	(15,000) (1)	-	15,000	15,000	-
Bond note interest	1,650	-	1,650	-	1,650	600	600	(1,050)
Depreciation expense	-	-	-	95,678 (1)	95,678	-	-	-
Total other expenses	<u>350,939</u>	<u>-</u>	<u>350,939</u>	<u>41,429</u>	<u>392,368</u>	<u>404,214</u>	<u>404,214</u>	<u>53,275</u>
Total operations and maintenance	<u>434,635</u>	<u>-</u>	<u>434,635</u>	<u>41,429</u>	<u>476,064</u>	<u>488,314</u>	<u>488,314</u>	<u>53,679</u>
Total operating appropriations	<u>475,296</u>	<u>-</u>	<u>475,296</u>	<u>41,429</u>	<u>516,725</u>	<u>535,514</u>	<u>535,514</u>	<u>60,218</u>
Capital appropriations								
Reserve for future capital outlays	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total capital appropriations	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>480,296</u>	<u>-</u>	<u>480,296</u>	<u>36,429</u>	<u>516,725</u>	<u>540,514</u>	<u>540,514</u>	<u>60,218</u>
Excess (deficit) of revenues and transfers								
over expenditures	(7,629)	5,000	(2,629)	2,629	-	\$ -	\$ -	\$ (2,629)
Changes in net position	-	-	-	(44,058)	(44,058)			
Fund balances/net position, beginning of the year	154,994	65,707	220,701	553,246 (2)	773,947			
Fund balances/net position, end of year	<u>\$ 147,365</u>	<u>\$ 70,707</u>	<u>\$ 218,072</u>	<u>\$ 511,817</u>	<u>\$ 729,889</u>			

**See Independent Auditors' Report.**

**The accompanying Notes to Supplementary Information are an integral part of this schedule.**



**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Supplementary Information**  
**Year Ended December 31, 2015**

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**A. BUDGETARY BASIS OF ACCOUNTING**

There are no substantial differences between the District's budgetary basis of accounting and the fund basis of accounting described below.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable 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. 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.

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

**B. BUDGETARY TO GAAP RECONCILIATION**

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<b><u>Change in Fund Balance</u></b>
(1) Principal debt payments are reported as budgetary expenditures in the year payment is made. For GAAP purposes debt payments are not expenses, but are applied toward the reduction of debt.	\$ 70,000
Expenditures for long-lived assets are reported as expenses in the year the order is placed for budgetary purposes. For GAAP purposes, the assets are capitalized in the year purchased and depreciated over the life of the asset.	(15,751)
Depreciation expense is not recorded on the budgetary basis of accounting. For GAAP purposes, capitalized assets are depreciated on a straight line basis over their respective useful lives.	<u>(95,678)</u>
Decrease in fund balance - budget to GAAP	(41,429)

See Independent Auditors' Report.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Notes to Supplementary Information**  
**Year Ended December 31, 2015**

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- (2) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the District's budget. (See Note A for a description of the District's budgetary accounting method.) This amount differs from the fund balance reported in the statement of revenues, expenditures and changes in fund balances because of the cumulative effect of transactions such as those described above.

	553,246
	\$ 511,817

**C. BUDGET CANCELLATION**

Regulations allow the District to cancel unexpended appropriations before year end by resolution. During the year ended December 31, 2015, the District cancelled \$-0- of appropriations resulting in a reservation of fund balance as follows:

Adopted budget	\$ 540,514
Expenditures	480,296
Favorable variance	60,218
Cancelled	-
Fund balance reserve	\$ 60,218

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Improvement Authorizations – Capital Fund**  
**Year Ended December 31, 2015**

Purpose	Authorized Appropriation		Balance	2015	2015	Balance	December 31,	
	Date	Amount	January 1, 2015	Authorization	Paid/Charged	December 31, 2015	Funded	Unfunded
Self contained breathing apparatus compressor system	2006	\$ 45,000	\$ 50,262	\$ -	\$ (15,750)	\$ 34,512	\$ 31,126	\$ 3,386
Paving of the parking lot, repairs to overhead doors	2008	75,000	43,149	-	-	43,149	43,149	-
Class A pumper	2008	550,000	7,791	-	-	7,791	7,791	-
Mechanical room and washer & dryer	2015	60,000	-	60,000	(33,001)	26,999	-	26,999
<b>Total</b>		<u>\$ 730,000</u>	<u>\$ 101,202</u>	<u>\$ 60,000</u>	<u>\$ (48,751)</u>	<u>\$ 112,451</u>	<u>\$ 82,066</u>	<u>\$ 30,385</u>

See Independent Auditors' Report.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Improvement Authorizations – Capital Fund**  
**Year Ended December 31, 2014**

Purpose	Authorized Appropriation		Balance January 1, 2014	2014 Authorization	2014 Transfers	2014 Cancelled	Balance December 31, 2014	December 31, 2014	
	Date	Amount						Funded	Unfunded
Purchase of heavy rescue fire engine and utility vehicle	2001	\$ 150,000	\$ 364	\$ -	\$ -	\$ (364)	\$ -	\$ -	\$ -
Self contained breathing apparatus	2006	175,000	5,262	-	(5,262)	-	-	-	-
Self contained breathing apparatus compressor system	2006	45,000	45,000	-	5,262	-	50,262	46,876	3,386
Paving of the parking lot, repairs to overhead doors	2008	75,000	43,149	-	-	-	43,149	28,149	15,000
Class A pumper	2008	550,000	7,791	-	-	-	7,791	7,791	-
Fire hose/chiefs truck	2012	65,000	39	-	-	(39)	-	-	-
Total		<u>\$ 1,060,000</u>	<u>\$ 101,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (403)</u>	<u>\$ 101,202</u>	<u>\$ 82,816</u>	<u>\$ 18,386</u>

See Independent Auditors' Report.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Deferred Charges to Future Taxation**  
**Year Ended December 31, 2015**

Purpose	Balance January 1, 2015	2015 Additions	2015 Budget Appropriation	Balance December 31, 2015
Funded:				
Fire district bond - pumper	\$ 330,000	\$ -	\$ 55,000	\$ 275,000
Total funded	330,000	-	55,000	275,000
Unfunded:				
SCBA - BAN	3,386	-	-	3,386
Building improvements - BAN	15,000	-	15,000	-
Mechanical room and washer & dryer - BAN	-	60,000	-	60,000
Total unfunded	18,386	60,000	15,000	63,386
Total	\$ 348,386	\$ 60,000	\$ 70,000	\$ 338,386

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Deferred Charges to Future Taxation**  
**Year Ended December 31, 2014**

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Purpose	Balance January 1, 2014	2014 Additions	2014 Budget Appropriation	Balance December 31, 2014
Funded:				
Fire district bond - pumper	\$ 385,000	\$ -	\$ 55,000	\$ 330,000
Total funded	<u>385,000</u>	<u>-</u>	<u>55,000</u>	<u>330,000</u>
Unfunded:				
SCBA - BAN	3,386	-	-	3,386
Building improvements - BAN	<u>30,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total unfunded	<u>33,386</u>	<u>-</u>	<u>15,000</u>	<u>18,386</u>
Total	<u>\$ 418,386</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 348,386</u>

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Statistical Information**  
**Years Ended December 31, 2015 and 2014**

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**Property Tax Levies**

The following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuation for the current and preceding nine (9) years:

<b>Fiscal Year</b>	<b>Assessed Valuations</b>	<b>Total Tax Levy</b>	<b>Property Tax Rates</b>
2015	\$ 239,850,700	\$ 460,000	0.192
2014	249,645,900	448,000	0.180
2013	254,020,900	429,219	0.169
2012	249,869,200	408,596	0.164
2011	252,343,900	397,771	0.158
2010	259,713,563	389,067	0.150
2009	261,214,259	373,091	0.143
2008	259,882,117	358,300	0.138
2007	101,845,431	383,000	0.377
2006	97,273,374	345,000	0.355

**General Fund – Fund Balance before Current Year Appropriation Reserves**

<b>Fiscal Year Ended</b>	<b>End of Fiscal Year</b>	<b>Utilization in Subsequent Budget</b>
December 31, 2015	\$ 87,147	\$ 62,894
December 31, 2014	98,295	66,070
December 31, 2013	139,529	66,844
December 31, 2012	128,887	53,000
December 31, 2011	85,681	53,878
December 31, 2010	45,632	53,878
December 31, 2009	36,175	34,638
December 31, 2008	48,930	48,654
December 31, 2007	88,581	55,904
December 31, 2006	103,336	43,163

**Capital Fund – Fund Balance**

<b>Fiscal Year Ended</b>	<b>End of Fiscal Year</b>	<b>Utilization in Subsequent Budget</b>
December 31, 2015	\$ 70,707	\$ 55,000
December 31, 2014	65,707	-
December 31, 2013	60,304	-
December 31, 2012	55,304	-
December 31, 2011	120,304	65,000
December 31, 2010	105,304	10,000
December 31, 2009	80,304	-
December 31, 2008	40,304	-
December 31, 2007	40,304	-
December 31, 2006	40,304	-

See Independent Auditors' Report.

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Roster of Officials**  
**Years Ended December 31, 2015 and 2014**

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<b>Board of Commissioners</b>	<b>Position</b>	<b>Term Expires</b>	<b>Amount of Surety Bond*</b>
Peter Cooke	Chairman	2017	\$ 1,000,000*
Gerald Maresca	Vice Chairman	2017	1,000,000*
Ryan Reale	Treasurer/Acting Clerk	2018	1,000,000*
Brian Stonaker	Commissioner	2018	1,000,000*
Victoria Sarti	Commissioner	2019	1,000,000*

**Other Officials**

Joseph D. Youssouf      Board Attorney

\* Blanket Bond Coverage

**Surety Company**

First Responder Insurance Fund



**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Comments and Recommendations**  
**Years Ended December 31, 2015 and 2014**

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**Scope of Examination and Conditions of Records**

Our examination covered the funds of the Board of Fire Commissioners, Borough of Englishtown Fire District No. 1 handled by the Treasurer.

The financial records were adequately maintained in good condition.

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

**Cash in Banks**

The balances in banks at December 31, 2015 were reconciled with statements issued by the depositories.

**Examination of Claims**

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

The District's five (5) Commissioners receive a fee for meeting attendance during the year.

**Contracts and Agreements Required to be Advertised**

**For N.J.S. 40A:11-4**

N.J.S. 40A:11-4 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 bid threshold of \$17,500 except by contract or agreement". Furthermore, contracting units now have a quotation threshold of \$2,625.

The members of the Borough of Englishtown Fire District No. 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.

The results of our examination indicated that no individual payment, contract or agreement was 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 advertising for bids in accordance with provisions of N.J.S.A. 40A:11-21.

**Miscellaneous**

An exit conference was held in accordance with the generally accepted governmental auditing standards in the United States of America.

**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.

**See Independent Auditors' Report.**

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Comments and Recommendations**  
**Years Ended December 31, 2015 and 2014**

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**Recommendations**

None

**Prior Year Comments**

None

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

Respectfully submitted,

*William Smith + Brown, PC*

October 17, 2016

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Findings and Recommendations**  
**Years Ended December 31, 2015 and 2014**

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**Schedule of Financial Statement Findings**

This section identifies the material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Government Services, Department of Community Affairs, and State of New Jersey.

**Material Weaknesses**

None

**Borough of Englishtown Fire District No. 1**  
**Monmouth County, New Jersey**  
**Schedule of Prior Year Findings and Recommendations**  
**Years Ended December 31, 2015 and 2014**

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**Schedule of Financial Statement Findings**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

**Material Weaknesses**

None