

**FIRE DISTRICT NO. 1
OF THE TOWNSHIP OF EDGEWATER PARK**

Financial Statements

For the year ended December 31, 2016

(With Independent Auditor's Report thereon)

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
 Financial Statements
 For the year ended December 31, 2016
 (With Independent Auditor's report thereon)

CONTENTS

	Page
Roster of Officials	
Financial Statements	
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Required Supplementary Information - Part I Management Discussion & Analysis	7
Basic Financial Statements	
District Wide Statement of Net Position	13
District Wide Statement of Activities	14
Governmental Balance Sheet	15
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	16
Governmental Funds Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	18
Notes to Financial Statements	19
Required Supplementary Information - Part II	
Budgetary Comparison Schedule	31
Other Supplementary Information	
General Fund - Comparative Balance Sheet	35
General Fund - Comparative Balance Sheet of Revenues, Expenditures and Changes In Fund Balance	36
Statistical Information	37
General Comments and Recommendations	41

BOARD OF FIRE COMMISSIONERS

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

ROSTER OF OFFICIALS

DECEMBER 31, 2016

BOARD OF COMMISSIONERS

John Loftus	Chairman
Calvin Stevenson	Secretary
Dennis Robbins	Treasurer
Jill Reuter	Commissioner
Robert Ryder	Commissioner

OTHER OFFICIALS

Robert Simcox	Salary Clerk/Accountant
Carl J. Shaw	Fire Inspector, Fire Official
Matthew Augustino	Fire Inspector



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Fire District No. 1 of the Township of Edgewater Park
County of Burlington
Edgewater Park, New Jersey 08010

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of each major fund and the aggregate remaining fund information of the Fire District No. 1 of the Township of Edgewater Park, County of Burlington, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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 Fire District No. 1 of the Township of Edgewater Park, County of Burlington, State of New Jersey, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

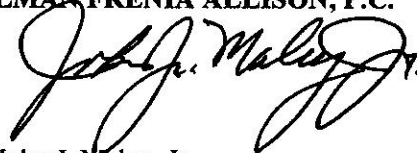
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 3, 2017, on our consideration of the Fire District No. 1 of the Township of Edgewater Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Fire District No. 1 of the Township of Edgewater Park's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



John J. Maley, Jr.
Certified Public Accountant

May 3, 2017
Bordentown, New Jersey



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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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 PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Fire Commissioners
Fire District No. 1 of the Township of Edgewater Park:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 1 of the Township of Edgewater Park, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Fire District No. 1 of the Township of Edgewater Park's basic financial statements, and have issued our report thereon dated May 3, 2017.

Internal Control Over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

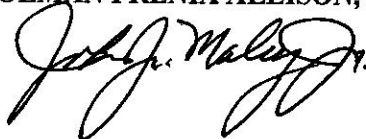
As part of obtaining reasonable assurance about whether Fire District No. 1 of the Township of Edgewater Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



John J. Maley, Jr.
Certified Public Accountant

May 3, 2017
Bordentown, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

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TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the Township of Edgewater Park Fire District No. 1 (The "District") annual financial report presents a discussion and analysis of the Fire District's financial performance during the fiscal year that ended on December 31, 2016. The District services the entire area of the Township of Edgewater Park in Burlington County, New Jersey. The District has a contractual relationship with Beverly Fire District No. 1 to provide fire protection for the Township of Edgewater Park. The District has no fire apparatus and no debt outstanding. Please read this in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Total assets were \$138,699 and total liabilities were \$14,719 resulting in net position of \$123,980 at December 31, 2016.

The Fire district's unrestricted net position was \$119,980 for the year ended December 31, 2016.

Operating revenue was \$435,722 for the year ended December 31, 2016.

Operating expenses were \$411,251 for the year ended December 31, 2016. The single largest expense was the Beverly City Fire District interlocal services contract amounting to \$279,917. The interlocal services agreement with the Beverly City Fire District to provide fire protection services obligates Edgewater Park Fire District to payments in 2017 amounting to \$281,317.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management's examination and analysis of the Fire district's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Fire district's capital plan, budget, and other management tools were used for this analysis.

The financial statements report information about the District using the accrual basis of accounting, and, for the governmental funds, using the modified accrual basis of accounting. The combined financial statement, Governmental Funds Balance Sheet/Statement of Net Position includes a column to report governmental funds, a conversion column and a column to report Net Position.

The combined financial statement, Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Net Position also includes columns to report governmental funds, conversion transactions and the Statement of Activity.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS

Overview of Annual Financial Report (Continued)

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Fire District's accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

Financial Analysis of the Fire District

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

Net Position – Table 1 summarizes the changes in net position between December 31, 2016 and 2015:

Table 1

Condensed Summary of Net Position

Years Ended December 31,	<u>2016</u>	<u>2015</u>	<u>Increase / (Decrease)</u>
Assets:			
Current Assets	\$ 135,316	\$ 110,449	\$ 24,867
Total Assets	<u>135,316</u>	<u>110,449</u>	<u>24,867</u>
Deferred Outflows of Resources:			
Prepaid Payroll	3,383	2,927	456
Total Deferred Outflows of Resources	<u>3,383</u>	<u>2,927</u>	<u>456</u>
Total Assets and Deferred Outflows of Resources	<u>138,699</u>	<u>113,376</u>	<u>25,323</u>
Liabilities:			
Current Liabilities	14,719	13,867	852
Total Liabilities	<u>14,719</u>	<u>13,867</u>	<u>852</u>
Net Position			
Restricted - Appropriation Reserves	-	30,795	(30,795)
Unrestricted	123,980	68,714	55,266
Total Net Position	<u>\$ 123,980</u>	<u>\$ 99,509</u>	<u>\$ 24,471</u>

Net Position increased by \$24,471 compared to the prior year.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS

Operating Activities

Table 2 summarizes the changes in revenues, expenses and net position between fiscal years December 31, 2016 and 2015.

Table 2

Condensed Summary of Revenues, Expenses and Changes in Net Position

Years Ended December 31,	<u>2016</u>	<u>2015</u>	Increase / (Decrease)
<u>Revenues</u>			
Operating Revenues:			
District Taxes	\$ 398,062	\$ 390,257	\$ 7,805
Supplemental Fire Services	3,010	3,010	-
Other	<u>34,650</u>	<u>35,863</u>	<u>(1,213)</u>
Total Revenues	<u>435,722</u>	<u>429,130</u>	<u>6,592</u>
<u>Expenses</u>			
Operating Expenses:			
Salaries & Wages	10,000	9,942	58
Other Expenses	364,090	358,022	6,068
Uniform Fire Safety Act			
Salaries & Wages	31,080	29,320	1,760
Other Expenses	<u>6,081</u>	<u>7,027</u>	<u>(946)</u>
Total Expenses	<u>411,251</u>	<u>404,311</u>	<u>6,940</u>
Change in Net Position	24,471	24,819	(348)
Total Net Position, Beginning of Year	<u>99,509</u>	<u>74,690</u>	<u>24,819</u>
Total Net Position, End of Year	<u>\$ 123,980</u>	<u>\$ 99,509</u>	<u>\$ 24,471</u>

The summary of revenues, expenses, and changes in net position provides information as to the nature and source of changes in financial position.

The favorable budget variance of \$6,068 in Administrative Other Expenses accounts for the largest portion of the change in net position.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2016 and 2015.

Table 3

Capital Assets - Net of Depreciation

Years Ended December 31,	<u>2016</u>	<u>2015</u>	<u>Increase / (Decrease)</u>
Vehicles	\$ 17,900	\$ 17,900	\$ -
Equipment	<u>14,894</u>	<u>14,894</u>	<u>-</u>
Total Capital Assets	32,794	32,794	-
Less: Accumulated Depreciation	<u>32,794</u>	<u>32,794</u>	<u>-</u>
Total Capital Assets: Net of Depreciation	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Debt Outstanding

The Fire District has no debt outstanding and no debt authorized.

Next Year's Budget and User Rates

The District adopted a \$446,330 operating budget for 2017, an increase of \$5,730 when compared to 2016. The Tax Levy increased \$7,938 when compared to 2016.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances and to demonstrate the Fire District's accountability for the money it receives. If you have any question about this report or need any additional information, contact the Fire District in writing, at 400 Delanco Road, Edgewater Park, New Jersey 08010 or the Township Clerk by telephone at (609) 877-2050

BASIC FINANCIAL STATEMENTS

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FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Statement of Net Position
December 31, 2016

	Governmental Activities
	<u>2016</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 135,316
Prepaid payroll	3,383
Total current assets	138,699
Capital assets (net of depreciation)	-
Total assets	138,699
Liabilities:	
Current liabilities:	
Accounts payable	12,543
Other payables and reserves	2,176
Total current liabilities	14,719
Total liabilities	14,719
Net position:	
Unrestricted:	
Undesignated	119,980
Designated for subsequent year's expenditures	4,000
Total net position	\$ 123,980

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Statement of Activities
For the year ended December 31, 2016

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities 2016</u>
Government activities:			
Operation appropriations:			
Administration	\$ 19,314	\$ -	\$ 19,314
Costs of operations and maintenance	354,776	-	354,776
Operating appropriations offset with revenues	37,161	34,245	2,916
	<hr/>	<hr/>	<hr/>
Total government activities	411,251	34,245	377,006
			<hr/>
General revenues:			
Miscellaneous revenue			405
Operating grant revenues			3,010
Amount raised by taxation			398,062
			<hr/>
Total general revenues			401,477
			<hr/>
Excess of expenditures over revenues			24,471
			<hr/>
Net position, January 1			99,509
			<hr/>
Net position, December 31			\$ 123,980
			<hr/> <hr/>

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Governmental Funds
Balance Sheet
December 31, 2016

	<u>2016</u> <u>General Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 135,316
Prepaid payroll	3,383
Total assets	138,699
Liabilities, equity and other credits:	
Accounts payable	12,543
Other payables and reserves	2,176
Total liabilities	14,719
Fund balances:	
Assigned for:	
For subsequent year's expenditures	4,000
Unassigned, reported in:	
General fund	119,980
Total fund balance	123,980
Total liabilities and fund balance	\$ 138,699
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 assets is \$32,794 and the accumulated depreciation is \$32,794.	-
Net position of governmental activities	\$ 123,980

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2016

	<u>General Fund</u>
Revenues:	
Miscellaneous anticipated revenue:	
Interest Income	\$ 405
Total miscellaneous revenues	<u>405</u>
Operating grant revenues:	
Supplemental fire service act	<u>3,010</u>
Total operating grant revenue	<u>3,010</u>
Miscellaneous revenues offset with appropriations:	
Uniform fire safety act revenues:	
Annual registration fee	<u>34,245</u>
Total uniform fire safety act revenues	<u>34,245</u>
Total miscellaneous revenues offset with appropriations	<u>34,245</u>
Total revenues	<u>37,660</u>
Amount raised by taxation to support district budget	<u>398,062</u>
Total anticipated revenues	<u>435,722</u>

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

**FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2016**

	<u>General Fund</u>
Expenditures:	
Operating appropriations:	
Administration:	
Salaries and wages	10,000
Fringe benefits	2,000
Other expenditures:	
Professional fees	6,486
Elections	558
Operating materials and supplies	270
Total administration	<u>19,314</u>
Cost of operations and maintenance:	
Other expenditures:	
Rental charges	67,306
Contracted services	279,917
Miscellaneous Expenses	7,553
Total cost of operations and maintenance	<u>354,776</u>
Operating appropriations offset with revenues:	
Salaries and wages	31,080
Fringe benefits	1,889
Other expenditures	4,192
Total operating appropriations offset with revenues	<u>37,161</u>
Total operating appropriations	<u>411,251</u>
Total governmental expenditures	<u>411,251</u>
Excess of revenues over expenditures	24,471
Fund balance, January 1	<u>99,509</u>
Fund balance, December 31	<u>\$ 123,980</u>

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance in
the Governmental Funds to the Statement of Activities
December 31, 2016

Total net changes in Fund Balance-Governmental Funds (B-2)	\$	24,471
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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.

Depreciation Expense	\$	-
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Changes in net position of governmental activities

\$	24,471
\$	24,471

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Fire Commissioners (the "Board") of the Township of Edgewater Park Fire District No. 1 (the "District") 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. The more significant of the District's accounting policies are described below.

A. Reporting

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. 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 District, 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 of Fire Commissioners 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.

B. Basis of Presentation

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

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

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

C. Fund Accounting

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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."

Governmental Funds:

General Fund

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

D. District Wide and Fund Financial Statements

District Wide Financial Statements

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

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

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

F. Budgets and Budgetary Accounting

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A: 14-78.1 et al. The fire commissioners must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the fire district. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget. Amendments may be made to the Fire District budget in accordance with N.J.S.A 40A: 14-78.3.

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

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

G. Encumbrances

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

Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. There were no encumbrances as of December 31, 2016.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

H. Cash and Cash Equivalents

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

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

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

I. Prepaid Expenses

Prepaid expenses that benefit future periods are recorded as an expenditure during the year of purchase.

J. Debt Limitation

N.J.S.A.40A:14-84 governs procedures for the issuance of any debt related to such purchases. In summary, fire districts may purchase fire fighting apparatus, equipment, land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or 2 percent of the assessed valuation of property, whichever is larger.

K. Capital Assets

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

Depreciation is recorded on the straight-line method (with no deprecation applied to the first year of acquisition) over the useful lives of the assets as follows:

Building and Improvements	5 to 40 Years
Equipment	5 to 15 Years

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

L. Inventory, Materials and Supplies

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

M. Interfund Receivable/Payable

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

N. Revenues and Expenditures

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

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

O. Fire District Taxes

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

P. Fund Equity

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

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

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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

Q. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

S. Use of Estimates

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

T. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2018. Management does not expect this Statement to impact the District's financial statements.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District’s financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the District’s financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the District’s financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the District’s financial statements.

V. Subsequent Events

Fire District No. 1 of the Township of Edgewater Park has evaluated subsequent events occurring after December 31, 2016 through the date of May 3, 2017, which is the date the financial statements were available to be issued.

Note 2. CASH AND CASH EQUIVALENTS

The Fire District is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2016, and reported at fair value are as follows:

Deposits:	
Demand Deposits	\$ <u>135,316</u>
Total Deposits	\$ <u>135,316</u>
Reconciliation to Governmental Fund Statements:	
Governmental Funds	\$ <u>135,316</u>
Total	\$ <u>135,316</u>

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 2. CASH AND CASH EQUIVALENTS (continued):

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2016, the District's bank balance of \$135,180 was insured or collateralized as follows:

Insured under FDIC	\$ 135,316
Total Insured	\$ 135,316

Note 3. CAPITAL ASSETS

The following is a summarization of the changes in capital assets by source for the year ended December 31, 2016:

	Primary Government			
	Balance 12/31/2015	Additions	Disposals	Balance 12/31/2016
Vehicles	\$ 17,900	\$ -	\$ -	\$ 17,900
Equipment	14,894	-	-	14,894
Total Capital Assets	32,794	-	-	32,794
Less accumulated depreciation for:				
Vehicles	(17,900)	-	-	(17,900)
Equipment	(14,894)	-	-	(14,894)
Total Accumulated	(32,794)	-	-	(32,794)
Capital assets, net	\$ -	\$ -	\$ -	\$ -

Note 4. FUND BALANCE UNRESTRICTED

The fund balance unrestricted at December 31, 2016 totaled \$123,980, of which \$4,000 is assigned and included as anticipated revenue in the 2017 budget.

TOWNSHIP OF EDGEWATER PARK FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for property, liability, and surety bonds.

Property and Liability Insurance - The District maintains commercial insurance for property, liability, and surety bonds.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the

State for benefits paid and the ending balance of the District's expendable reserve for state unemployment for the current year and prior two years:

Fiscal Year	District Contributions	Employee Withholdings	Amount Reimbursed	Reserve Balance
2016	\$ -	\$ 205	\$ -	\$ 2,176
2015	-	-	-	1,971
2014	272	-	-	1,971

Note 6: COMMITMENTS

Edgewater Park Fire District No.1 contracts with Beverly City Fire District for Beverly to provide fire protection services to Edgewater Park Fire District No.1. The agreement is subject to annual approval and appropriation of funds by the voters and governing bodies of both districts. The term of the agreement is for five years from January 1, 2017 through December 31, 2020. The agreed amounts as of December 31, 2016 are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 281,317
2018	284,130
2019	286,972
2020	289,842

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

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FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Budgetary Comparison Schedule
For the year ended December 31, 2016

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Miscellaneous anticipated revenue:				
Investment income	\$ 28	\$ 28	\$ 405	\$ 377
Total miscellaneous revenues	<u>28</u>	<u>28</u>	<u>405</u>	<u>377</u>
Operating grant revenues:				
Supplemental fire service act	<u>3,010</u>	<u>3,010</u>	<u>3,010</u>	<u>-</u>
Total operating grant revenue	<u>3,010</u>	<u>3,010</u>	<u>3,010</u>	<u>-</u>
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues:				
Reserves Utilized	7,000	7,000	7,000	-
Annual Registration Fees	15,000	15,000	34,245	19,245
Other revenues	<u>17,500</u>	<u>17,500</u>	<u>-</u>	<u>(17,500)</u>
Total uniform fire safety act revenues	<u>39,500</u>	<u>39,500</u>	<u>41,245</u>	<u>1,745</u>
Total miscellaneous revenues offset with appropriations	<u>39,500</u>	<u>39,500</u>	<u>41,245</u>	<u>1,745</u>
Total revenues	<u>42,538</u>	<u>42,538</u>	<u>44,660</u>	<u>2,122</u>
Amount raised by taxation to support district budget	<u>398,062</u>	<u>398,062</u>	<u>398,062</u>	<u>-</u>
Total anticipated revenues	<u>440,600</u>	<u>440,600</u>	<u>442,722</u>	<u>2,122</u>

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF EDGEWATER PARK
Budgetary Comparison Schedule
For the year ended December 31, 2016

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	10,000	10,000	10,000	-
Fringe benefits	2,000	2,000	2,000	-
Other expenditures:				
Professional fees	18,500	18,500	6,486	12,014
Elections	1,500	1,500	558	942
Office Expenses	1,500	1,500	270	1,230
Total administration	<u>33,500</u>	<u>33,500</u>	<u>19,314</u>	<u>14,186</u>
Cost of operations and maintenance:				
Salaries and wages	7,000	7,000	-	7,000
Miscellaneous Expenses	11,500	11,500	7,553	3,947
Rental charges	77,575	77,575	67,306	10,269
Outside services	278,525	278,525	279,917	(1,392)
Total cost of operations and maintenance	<u>374,600</u>	<u>374,600</u>	<u>354,776</u>	<u>19,824</u>
Operating appropriations offset with revenues:				
Salaries and wages	23,600	23,600	31,080	(7,480)
Fringe benefits	2,700	2,700	1,889	811
Telephone	700	700	799	(99)
Vehicle Insurance & Expense	1,450	1,450	1,026	424
Miscellaneous Expenses	4,050	4,050	2,367	1,683
Total operating appropriations offset with revenues	<u>32,500</u>	<u>32,500</u>	<u>37,161</u>	<u>(4,661)</u>
Total operating appropriations	<u>440,600</u>	<u>440,600</u>	<u>411,251</u>	<u>29,349</u>
Excess (efficiency) of revenues over (under) expenditures	-	-	31,471	31,471
Fund balance, January 1	<u>99,509</u>	<u>99,509</u>	<u>99,509</u>	-
Fund balance, December 31	<u>\$ 99,509</u>	<u>\$ 99,509</u>	<u>\$ 130,980</u>	<u>\$ 31,471</u>
Reconciliation to GAAP Basis:				
Excess from above			\$ 31,471	
Less Fund Balance Appropriated			(7,000)	
Excess of Revenues over Expenditures Exhibit B-2			<u>\$ 24,471</u>	

OTHER SUPPLEMENTAL INFORMATION

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**Township of Edgewater Park Fire District No.1
General Fund
Comparative Balance Sheet
As of December 31, 2016 and 2015**

<u>ASSETS</u>	2016	2015
Cash and Cash Equivalents	\$ 135,316	\$ 107,439
Accounts Receivable	-	3,010
Prepaid Payroll	3,383	2,927
Total Assets	\$ 138,699	\$ 113,376
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ 12,543	\$ 11,896
Reserve for State Unemployment	2,176	1,971
Total Liabilities	14,719	13,867
Fund Balance:		
Restricted:		
For Appropriation Reserves	-	30,795
Assigned:		
Designated for Subsequent Year Expenditures	4,000	7,000
Unassigned:		
Undesignated	119,980	61,714
Total Fund Balance	123,980	99,509
Total Liabilities and Fund Balance	\$ 138,699	\$ 113,376

Township of Edgewater Park Fire District No. 1
General Fund
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2016 and 2015

	2016	2015
<u>REVENUES:</u>		
Local Sources:		
District Taxes	\$ 398,062	\$ 390,257
State Sources:		
Supplemental Fire Services Program	3,010	3,010
Miscellaneous Revenues:		
Interest on Deposits & Investments	405	491
Uniform Fires Safety Act	34,245	35,372
	435,722	429,130
Total Revenues		
 <u>EXPENDITURES:</u>		
Operating Appropriations		
Salaries & Wages	10,000	9,942
Other Expenses	364,090	358,022
Uniform Fire Safety Act		
Salaries & Wages	31,080	29,320
Other Expenses	6,081	7,027
	411,251	404,311
Total Expenditures		
Excess Expenditures over Revenues	24,471	24,819
Fund Balance, January 1	99,509	74,690
Fund Balance, December 31	\$ 123,980	\$ 99,509

Township of Edgewater Park Fire District No. 1
Statistical Information
December 31, 2016

Property Tax Levies

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding nine years.

Year	Assessed Valuation	Total Tax Levy	Property Tax Levy
2016	\$ 595,543,800	\$ 398,062	0.067
2015	604,096,000	390,257	0.065
2014	608,503,020	382,607	0.063
2013	612,504,100	328,882	0.054
2012	617,316,981	322,434	0.053
2011	* 622,157,736	316,098	0.051
2010	307,677,410	309,900	0.101
2009	310,325,085	309,900	0.100
2008	311,134,167	309,900	0.100
2007	310,588,619	309,900	0.100

* Reassessment

Debt Service

The District has no debt issued or authorized at December 31, 2016.

Unrestricted Fund Balance

General Fund:

Fiscal Year Ended	End of Fiscal Year	Utilization In Subsequent Budget
2016	\$ 123,980	\$ 4,000
2015	64,333	7,000
2014	74,690	14,000
2013	32,962	14,000
2012	57,181	51,141
2011	108,698	71,656
2010	138,715	57,392
2009	178,198	53,213
2008	137,903	44,400
2007	137,821	30,000

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GENERAL COMMENTS AND RECOMMENDATIONS

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**HOLMAN | FRENIA
ALLISON, P.C.**

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
 618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
 912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
 6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
 194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
 795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
 926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

Board of Fire Commissioners
 Fire District No. 1 of the Township of Edgewater Park
 County of Burlington
 Edgewater Park, New Jersey 08010

We have audited the basic financial statements of the Fire District No. 1 of the Township of Edgewater Park, County of Burlington, State of New Jersey for the year ended December 31, 2016. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement.

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Examination of Bills

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

Acknowledgment

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

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

Should you have any questions, please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "John J. Maley, Jr.", written in a cursive style.

John J. Maley, Jr.
Certified Public Accountant

May 3, 2017
Bordentown, New Jersey