

**Jackson Township Fire District No. 2
County of Ocean
Jackson, New Jersey**

**Financial Statements
and
Reports on Audit**

December 31, 2009

**Jackson Township Fire District No 2
December 31, 2009**

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**Jackson Township Fire District No. 2
December 31, 2009**

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Jackson Township Fire District No. 2
Roster of Commissioners
December 31, 2009

James Hammond
President

Gary D. Poppe
Vice President

Steve Holmes
Secretary

John Poppe, Jr.
Treasurer

Mike McLaughlin
Commissioner



MARTHA C. CARROLL, CPA, LLC
Audit and Accounting Services

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities and each major fund of the Board of Commissioners, Jackson Township Fire District No. 2 as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Board of Commissioners, Jackson Township Fire District No. 2 as of December 31, 2009, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, I have also issued my report dated November 1, 2010 on my consideration of the Board of Commissioners, Jackson Township Fire District No. 2's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

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

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Board of Commissioners, Jackson Township Fire District No. 2's basic financial statements. The related major fund supporting statements and schedules listed in the table of contents are also presented for the purpose of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Martha C. Carroll, CPA, LLC



Martha C. Carroll, CPA

Toms River, New Jersey
November 1, 2010



MARTHA C. CARROLL, CPA, LLC
Audit and Accounting Services

**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 Commissioners
Jackson Township Fire District No. 2
Jackson, New Jersey

I have audited the financial statements of the governmental activities and each major fund of the Board of Commissioners, Jackson Township Fire District No. 2, as of and for the year ended December 31, 2009, which collectively comprise the Board of Commissioners, Jackson Township Fire District No. 2's basic financial statements and have issued my report thereon dated November 1, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

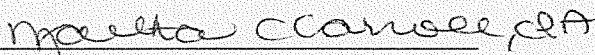
As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey which is described in the accompanying schedule of findings as item R-1.

This report is intended solely for the information and use of the Board of Commissioners and the Bureau of Authority Regulation and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Martha C. Carroll, CPA, LLC


Martha C. Carroll, CPA

Toms River, New Jersey
November 1, 2010

REQUIRED SUPPLEMENTARY INFORMATION
PART 1

**JACKSON TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

As management of Jackson Township Fire District No. 2, we offer readers of the Jackson Fire District No. 2 financial statements this narrative overview and analysis of the financial activities of the Jackson Township Fire District No. 2 for the year ended December 31, 2009. The intent of this narrative is to look at Jackson Township Fire District No. 2's overall financial performance in terms easily understood by the lay person. Please read this in conjunction with the transmittal letters beginning on page 2 and the District's financial statements which begin on page 16. Notes to the financial statements will provide the reader with additional useful information and they begin on page 23.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at December 31, 2009 by approximately \$1.77 million. In 2008 the excess was \$1.68 million. This is an increase of approximately \$91,800 or 5.5%.
- During 2009 Jackson Township Fire District No. 2 operated at a surplus of approximately \$91,800. The surplus in 2008 was approximately \$86,600. This is an increase of approximately \$5,200 or 6.0%.
- The District's accounts payable increased by 66.5% in 2009. This is an increase of \$43,500.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Jackson Township Fire District No. 2's basic financial statements are comprised of three components: district-wide financial statements; fund financial statements; and notes to the basic financial statements.

Reporting on the District as a Whole

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

The Statement of Net Assets presents information on all the assets and liabilities of Jackson Township Fire District No. 2. The difference between the two is reported as the District's net assets. Significant increases or decreases in the District's net assets can be an indication of the financial health of the District.

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

The district-wide financial statements report on the financial data by function. Jackson Township Fire District No. 2 has two basic functions: activities that are supported by property taxes; and activities supported by other governmental activities. Jackson Township Fire District No. 2 provides firefighting services to the citizens of Jackson Township. The District also provides services for the enforcement of the state and local fire codes and fire prevention education.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Jackson Township Fire District No. 2 uses fund accounting to document compliance with finance-related legal matters. Jackson Township Fire District No. 2 has two types of fund groups, governmental funds and fiduciary funds.

Governmental Funds

Jackson Township Fire District No. 2's activities are all reported in governmental funds. These funds record the flow of cash in and out of the District during the period and the balances remaining at year end for future periods. The modified accrual basis of accounting is utilized for reporting purposes. This method of accounting measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services that it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's services.

Jackson Township Fire District No. 2 maintains two separate governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital fund.

Fiduciary Funds

A fiduciary fund is used to hold and report funds that are being held in trust. The District maintains an agency fund for the accumulation of monies as the custodian for the volunteer firefighters' Length of Service Awards Program (LOSAP).

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

As required by N.J.S.A. 40A:14:78-3, Jackson Township Fire District No. 2 adopts an annual budget which is voted on by the legal voters of the district on the third Saturday in February. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

Notes to Financial Statements

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Jackson Township Fire District No. 2's net assets are a useful indicator of the District's financial condition. At the end of 2009 the District's assets exceeded the liabilities by approximately \$1.77 million. The largest portion of Jackson Township Fire District No. 2's net assets (74.6%) is its investment in capital assets. The District uses these assets to provide fire-fighting services to the community; consequently, these assets are not available for future spending. Jackson Township Fire District No. 2's investment in capital assets is reported net of related debt. Since the capital assets are not available to liquidate the debt, other sources must be utilized for the repayment of the debt. As of December 31, 2009 the District had no long term debt.

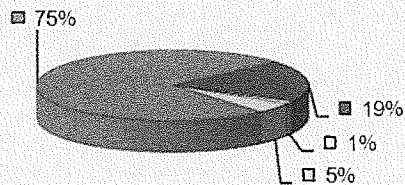
Statement of Net Assets

JACKSON TOWNSHIP FIRE DISTRICT NO. 2
NET ASSETS
DECEMBER 31, 2009

	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	\$ 627,364	\$ 408,087	219,277	53.7%
Capital Assets	<u>1,322,798</u>	<u>1,384,217</u>	(61,419)	(4.4%)
Total Assets	1,950,162	1,792,304	157,858	8.8%
Other Liabilities	<u>(180,312)</u>	<u>(114,275)</u>	66,037	57.8%
Net Assets	<u>\$1,769,850</u>	<u>\$1,678,029</u>	91,821	5.5%

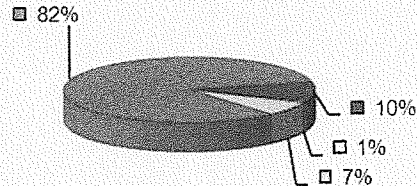
	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
Analysis of Net Assets				
Invested in Capital Assets Net of Related Debt	\$1,320,989	\$1,382,413	(61,424)	(4.4%)
Restricted for Capital Projects	342,391	167,386	175,005	104.5%
Restricted for Dedicated Penalties	22,502	13,402	9,100	67.9%
Unrestricted	<u>83,968</u>	<u>114,828</u>	(30,860)	(26.9%)
Total Net Assets	<u>\$1,769,850</u>	<u>\$1,678,029</u>	91,821	5.5%

2009 Net Assets



Invested in Net Assets
 Capital Projects
 Dedicated Penalties
 Unrestricted

2008 Net Assets



Invested in Net Assets
 Capital Projects
 Dedicated Penalties
 Unrestricted

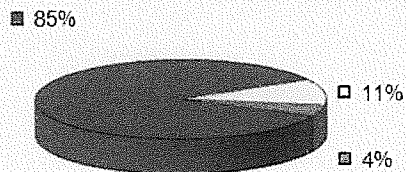
The net assets of Jackson Township Fire District No. 2 increased approximately \$91,800 during the 2009 period. This increase was due partially to the District's excess of revenues over expenditures. Other major changes in net assets at December 31, 2009 were a \$242,400 increase in cash, a \$43,500 increase in accounts payable, and a \$13,700 decrease in receivables. The District added \$49,700 of capital assets during the year. In 2009 the net capital assets were decreased by \$61,400 after \$71,100 of depreciation and dispositions.

Governmental Activities

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

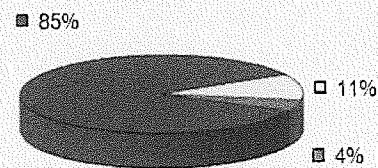
Expenses	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
Program Expenses				
Administrative Expenses	\$ 38,973	\$ 39,711	\$ (738)	(1.9%)
Cost of Operations & Maintenance	777,755	743,287	34,468	4.6%
Operating Appropriations Offset With Revenues	<u>98,241</u>	<u>94,515</u>	3,726	3.9%
Total Program Expenses	914,969	877,513	37,456	4.3%

2009 Program Expenses



Administrative
 Operations
 Expenses offset by Revenues

2008 Program Expenses

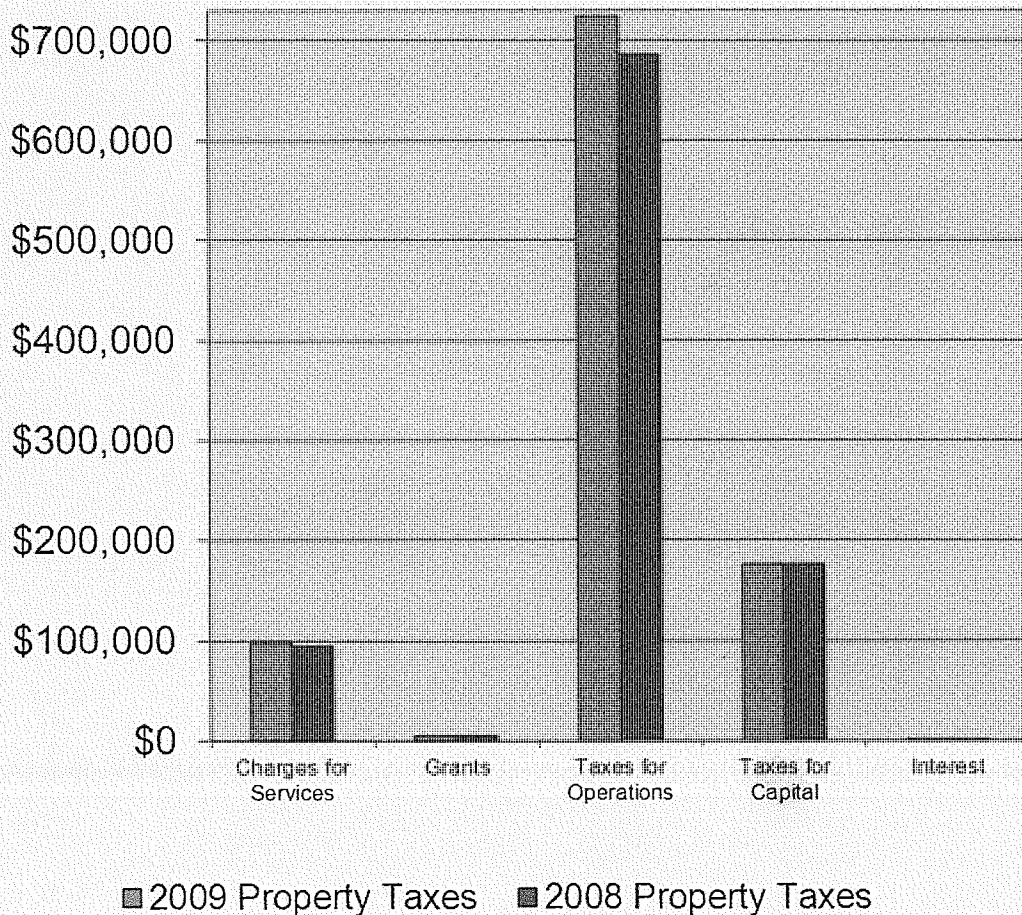


Administrative
 Operations
 Expenses offset by Revenues

Program Revenues	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
Charges for Services	98,241	94,515	3,726	3.9%
Operating Grants & Contributions	<u>4,226</u>	<u>4,226</u>	- 0 -	
Net Program Expenses	<u>812,502</u>	<u>778,772</u>	33,730	4.3%

	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
General Revenues				
Property Taxes Levied for General Purposes	\$724,246	\$685,550	38,696	5.6%
Property Taxes Levied for Future Capital Purchases	175,000	175,000	- 0 -	
Unrestricted Investment Earnings	1,243	383	860	224.5%
Miscellaneous Income	<u>3,834</u>	<u>4,437</u>	(603)	(13.6%)
Total General Revenues	<u>904,323</u>	<u>865,370</u>	38,953	4.5%
Increase in Net Assets	91,821	86,598	5,223	6.0%
Net Assets, January 1	<u>1,678,029</u>	<u>1,591,431</u>	86,598	5.4%
Net Assets, December 31	<u>\$1,769,850</u>	<u>\$1,678,029</u>	91,821	5.5%

Property Tax Revenues



Property tax revenue constituted 89% of the total governmental activities revenues received by Jackson Township Fire District No. 2 in 2009. In 2008 the property tax revenue also constituted 89% of total revenues.

The Cost of Operations & Maintenance was 96% and 96% of the District's total net expenses in 2009 and 2008 respectively. Administration expenses equaled 5% and 5% of the total net expenses in 2009 and 2008.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

Jackson Township Fire District No. 2 uses fund accounting to document compliance with finance-related legal requirements.

Government Fund

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

As of December 31, 2009, the combined balance of the governmental funds of Jackson Township Fire District No. 2 was approximately \$413,100. This balance is \$162,700 higher than last year's combined governmental funds balance. The increase is due primarily to the surplus generated in the Capital Fund.

The combined balance of the governmental funds of Jackson Township Fire District No. 2 was approximately \$413,100. Unreserved fund balance amounted to \$402,400 of that total. Two point six six percent, \$10,700, of the balance has been designated for utilization in the 2010 budget.

The general fund is the main operating fund of Jackson Township Fire District No. 2. At the end of 2009, the total fund balance of the general fund was \$86,700. Of this balance, \$76,000 was unreserved.

During 2009 the general fund balance of Jackson Township Fire District No. 2 decreased by approximately \$12,300. The primary reasons for this decrease are as follows:

- The District increased their accounts payable by approximately \$43,500.
- The District appropriated \$175,000 to the Capital Fund in 2009 for payment of future capital purchase.
- The Board's receivables decreased by approximately \$13,700.
- The Board's general fund operated at a deficit of \$12,300.

- The Board expended less funds than they projected and did not have to utilize as much accumulated surplus as anticipated.
- The Board received revenues in less than the anticipated 2009 Budget by approximately \$81,800 due to the truck sale not being finalized in 2009.
- The Board was able to save approximately \$77,500 in anticipated expenses in 2009.

At the end of 2009, the District had a capital projects fund balance of approximately \$326,400. This balance increased by approximately \$175,000 from the previous year. The major changes in this fund balance were:

- A capital appropriation from the general fund of \$175,000.

General Fund Budgetary Highlights

UFSA revenues are a factor of enforcement. The amount of penalties cannot be accurately projected. Penalties assessed and collected in 2009 were \$13,400, which was \$11,900 higher than anticipated. The fees charged in 2009 were approximately \$10,700 higher than those in 2008, and constituted 1.6% of the operating revenues. The District was previously conducting inspections in another fire district in the township. In 2008 the other district began to perform their own inspections thus reducing the fees in District No. 2. In 2010 there will be no revenues from the other district which may be reflected in lower total fees collected in 2010.

The original budget had a \$8,000 projected deficit. This deficit was covered by utilization of unrestricted surplus accumulated from prior years. The Board had to utilize all of this surplus to cover the actual deficit. The deficit needs to be funded in future budgets.

The District had total revenues less than budget of approximately \$81,800.

Overall, the District spent almost \$77,500 less than originally anticipated in the budget for 2009.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2009 Jackson Township Fire District No. 2 had invested in capital assets for government activities \$1,321,000 (net of accumulated depreciation). Capital assets consist of firehouse improvements, fire apparatus, fire equipment, and office equipment. They purchased approximately \$49,700 of apparatus and equipment in 2009.

JACKSON TOWNSHIP FIRE DISTRICT NO. 2
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
DECEMBER 31, 2009

	2009	2008	\$ Increase (Decrease)
Firehouse & Land	\$ 1,497,765	\$ 1,497,765	- 0 -
Vehicles & Apparatus	1,682,865	1,722,820	(39,955)
Equipment	<u>286,843</u>	<u>237,187</u>	49,656
Total Capital Assets	3,467,473	3,457,772	9,701
Accumulated Depreciation	<u>2,146,484</u>	<u>2,075,359</u>	71,125
Investment in Capital Assets – net	<u>\$ 1,320,989</u>	<u>\$ 1,382,413</u>	(61,424)

Additional information on Jackson Township Fire District No. 2's capital assets can be found in note 4 in the notes to the financial statements.

Long-Term Obligations

Jackson Township Fire District No. 2 currently has no long term debt.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

In 2009, Jackson Township Fire District No. 2 was unable to cover all its appropriations through the fire tax levy and other revenues. In 2009 the fire tax levy amounted to 89% of total revenue collected.

In 2010, Jackson Township Fire District No. 2 adopted their 2010 budget on January 14, 2010. The voters subsequently approved the budget at the February election. The 2010 budget reflects an increase in the tax levy of \$99,200. The Board anticipates the capital improvements to the building and grounds in 2010 and has budgeted \$225,000 for these capital improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Jackson Township Fire District No. 2's finances for all of those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to John Poppe, Jackson Township Fire District No. 2, PO Box 47, Jackson, New Jersey, 08527.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Jackson Township Fire District No. 2
Statement of Net Assets
December 31, 2009

Assets

Cash and cash equivalents	\$ 208,052
State and local fees receivable	20,480
Prepaid insurance	35,748
Restricted assets:	
Restricted cash and cash equivalents	364,893
Capital assets, net	<u>1,320,989</u>
 Total Assets	 <u>1,950,162</u>

Liabilities

Accounts payable and accrued expenses	109,010
LOSAP payable	32,800
Due to fire company	22,502
Improvement authorizations	<u>16,000</u>
 Total Liabilities	 <u>180,312</u>

Net Assets

Invested in capital assets, net of related debt	1,320,989
Restricted for:	
Capital projects	342,391
Dedicated penalties	22,502
Unrestricted	<u>83,968</u>
 Total Net Assets	 <u>\$ 1,769,850</u>

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

Jackson Township Fire District No. 2
Statement of Activities
For the Year Ended December 31, 2009

Expenses	
Operating	<u>\$ 914,969</u>
Total Program Expenses	914,969
Program Revenues	
Charges for services	98,241
Operating grants and contributions	<u>4,226</u>
Net Program Expenses	<u>812,502</u>
General Revenues	
Taxes	
Property taxes levied for general purposes	724,246
Taxes levied for capital purchase	175,000
Investment earnings	1,243
Other	<u>3,834</u>
Total General Revenues	<u>904,323</u>
Increase in Net Assets	91,821
Net Assets, January 1	<u>1,678,029</u>
Net Assets, December 31	<u><u>\$ 1,769,850</u></u>

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

FUND FINANCIAL STATEMENTS

Jackson Township Fire District No. 2
Balance Sheet
Governmental Funds
December 31, 2009

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 571,136	\$ 1,809	\$ 572,945
State and local fees receivable	20,480		20,480
Interfund receivable		340,582	340,582
	<u>\$ 591,616</u>	<u>\$ 342,391</u>	<u>\$ 934,007</u>
Liabilities and Fund Balances			
Accounts payable and accrued expenses	\$ 109,010	\$ -	\$ 109,010
LOSAP payable	32,800		32,800
Due to fire company	22,502		22,502
Interfund payable	340,582		340,582
Improvement authorizations		16,000	16,000
	<u>504,894</u>	<u>16,000</u>	<u>520,894</u>
Fund Balances			
Unreserved			
Designated for subsequent year	10,700		10,700
Undesignated	76,022	326,391	402,413
	<u>86,722</u>	<u>326,391</u>	<u>413,113</u>
Total Liabilities and Fund Balances	<u>\$ 591,616</u>	<u>\$ 342,391</u>	

(Continued)

Jackson Township Fire District No. 2
 Balance Sheet
 Governmental Funds
 December 31, 2009

Total
 Governmental
 Funds

 (Continued)

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Payments made to vendors for services that will benefit periods beyond fiscal year end that are recorded as expenditures at the time of payment in the governmental funds. (Prepaid insurance)

\$ 35,748

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,467,473 and the accumulated depreciation is \$2,146,484.

1,320,989

Net assets of governmental activities

\$ 1,769,850

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

Jackson Township Fire District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
District taxes	\$ 724,246	\$ 175,000	\$ 899,246
Supplemental Fire Service Grant	4,226		4,226
Fees and permits	46,663		46,663
Fines and penalties	13,400		13,400
Charges for services	38,178		38,178
Other revenues	3,834		3,834
Interest on deposits and investments	1,238	5	1,243
Total Revenues	<u>831,785</u>	<u>175,005</u>	<u>1,006,790</u>
Expenditures			
Operating appropriations	<u>844,085</u>		<u>844,085</u>
Total Expenditures	<u>844,085</u>	<u>-</u>	<u>844,085</u>
Excess (deficiency) of revenues over expenditures	(12,300)	175,005	162,705
Fund balances, January 1	<u>99,022</u>	<u>151,386</u>	<u>250,408</u>
Fund balances, December 31	<u>\$ 86,722</u>	<u>\$ 326,391</u>	<u>\$ 413,113</u>

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

**Jackson Township Fire District No. 2
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Government Funds
 to the Statement of Activities
 For the Year Ended December 31, 2009**

Total Net Change in Fund Balances - Governmental Funds	\$ 162,705
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Amounts reported for governmental activities in the Statement of Activities (A-2) are difference because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$111,080 exceeded capital outlays of \$49,656.	(61,424)
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In the statement of activities, certain operating expenses, e.g., compensated absences(vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+) 35,748-45,208.	<u>(9,460)</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ 91,821</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

Jackson Township Fire District No 2
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ -
Investments, at fair value	
Mutual funds	<u>59,653</u>
Total Assets	<u>59,653</u>
Liabilities	
Length of Service Award Program contributions	<u>59,653</u>
Total Liabilities	<u>59,653</u>
Net Assets	
Unrestricted	<u>-</u>
Total Net Assets	<u><u>\$ -</u></u>

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