

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
WITH
INDEPENDENT AUDITOR'S REPORT**

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

TABLE OF CONTENTS

	<u>Page</u>
Independent auditor's report	1 - 2
Management's discussion and analysis	3 - 5
Financial statements:	
Statements of net assets	6
Statements of activities	7
Statement of revenues, expenditures and changes in fund balances/ statement of activities	8
Statements of cash flows	9
Notes to financial statements	10 -14
Supplementary information:	
Budgetary comparison schedule	15
Statistical information	16
Roster of officials	17
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	18-19
Schedule of findings and responses	20

MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N

FOUNDED IN 1926 BY SIDNEY MOHEL

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

**Board of Fire Commissioners
District No. 1
Township of Jackson**

We have audited the accompanying financial statements of The Board of Fire Commissioners District No.1 Township of Jackson as of and for the years ended December 31, 2009 and 2008, as listed in the Table of Contents. These financial statements are the responsibility of the Board of Fire Commissioners' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Fire Commissioners District No. 1 Township of Jackson as of December 31, 2009 and 2008, and the results of its operations, and the changes in its fund balances and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 10, 2010 on our consideration of the Board of Fire Commissioners District No. 1 Township of Jackson's internal control over financial reporting and on our test 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 and should be considered in conjunction with this report in considering the results of our audit.

MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

**Board of Fire Commissioners
District No. 1
Township of Jackson**

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 15, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Board of Fire Commissioners District No. 1 Township of Jackson taken as a whole. The accompanying schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mohe Elliott Bauer & Gass

May 10, 2010

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Our discussion and analysis of District No. 1 Township of Jackson financial performance provides an overview of the district's financial activities for the year ended December 31, 2009. Please review it in conjunction with the Districts' basic financial statements which begin on Page 6.

Financial Highlights

- Total net assets decreased \$109,597 which represents a 8.07 percent decrease from 2008. \$38,095 was the deficiency of revenues over expenditures in the general fund after transfers and \$71,502 was the decrease in net assets invested in capital assets.
- The amount raised by taxation was \$364,700 or 92.57 percent of all revenues. Interest, grant funds and other income amounted to \$29,284 or 7.43 percent of all revenues.
- Total program expenses have decreased \$6,640 or 1.30 percent. Significant increases in expenses were as follows:

Contractual services for fire protection increased \$11,975, radio repairs and maintenance increased \$12,779 and fringe benefits(workers compensation) increased \$5,573. The only significant decrease was in fire equipment, \$38,647.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on page 6 and 7) provide information about the activities of the District as a whole. Fund financial statements start on page 8. These statements tell how these services were financed. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statements of Net Assets and the Statements of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets-the difference between assets and liabilities-as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 8. The fund financial statements provide detailed information about the most significant funds-not the District as a whole.

General Fund - Most of the District's basic services are reported in the general fund, which focuses on how money flows into and out of the funds and the balances left at year-end that are available for spending. The general fund statements provide a detailed *short-term view* of the District's general operations and the basic services it provides. General fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District as a Whole

The District's total net assets decreased; \$109,597 to \$1,247,698 or 8.07 percent. Details of the changes are reflected on page 7.

Original Versus Final Budget

Page 15 reflects the variances between the original and final budgeted amounts.

Final Budget Versus Actual Results

As reflected on page 15, the District operated within budgetary constraints. Actual expenses were under the final budget by \$5,544.

Capital Assets

At year end, the District had \$2,072,485 in total capital assets. During 2009 the District acquired a new chiefs' vehicle for \$41,955.

Debt Administration

As of December 31, 2009 \$186,784 was outstanding on a lease purchase agreement with Kansas State Bank. For additional information please refer to the footnote on page 13, capital lease obligation payable.

Economic Factors and Next Year's Budget and Rates

The District's governing body considered many factors when setting the 2010 budget and tax rates including the economy, the rate of inflation and planned future capital projects. The Township has been reassessed. Ratables for the District have more than doubled. The proposed tax will be \$.087. The amount to be raised by taxation will increase \$75,140.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Clerk at 81 South Hope Chapel Road, Jackson, NJ 08527.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**STATEMENTS OF NET ASSETS
DECEMBER 31, 2009 AND 2008**

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 512,045	\$ 500,349
Investments	172,081	-
Due from Township of Jackson	-	115,673
Prepaid insurance	4,780	
Capital assets, net	959,512	1,087,883
Total assets	1,648,418	1,703,905
 LIABILITIES		
Accounts payable and accrued expenses	45,786	102,957
Deferred revenue	168,150	-
Capital lease obligation payable	186,784	243,653
Total liabilities	400,720	346,610
 NET ASSETS		
Invested in capital assets, net of related debt	772,728	844,230
Restricted for capital projects	171,857	171,857
Unrestricted	303,113	341,208
Total net assets	\$ 1,247,698	\$ 1,357,295

**The accompanying notes are an integral
part of these financial statements.**

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Expenses:		
Personal services	\$ 41,043	\$ 38,894
Material and services	281,007	293,469
Depreciation	170,326	166,131
Interest expense	11,205	11,727
Total program expenses	503,581	510,221
 Program revenues:		
Charges for services	-	-
Net program expenses	503,581	510,221
 General revenues:		
Amount raised by taxation	364,700	353,800
Interest income	4,108	12,879
Other income	5,500	1,054
Cell tower income	15,450	21,600
New Jersey SFSP Grant	4,226	4,226
Total general revenues	393,984	393,559
Increase (decrease) in net assets	(109,597)	(116,662)
Net assets - beginning of year	1,357,295	1,473,957
Net assets - end of year	\$ 1,247,698	\$ 1,357,295

The accompanying notes are an integral
part of these financial statements

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT
OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2009

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:					
Amount raised by taxation	\$ 284,700	\$ 80,000	\$ 364,700	\$	\$ 364,700
Interest income	4,108		4,108		4,108
Other income	5,500		5,500		5,500
Cell tower income	15,450		15,450		15,450
NJSFSP Grant	4,226		4,226		4,226
Total revenues	<u>313,984</u>	<u>80,000</u>	<u>393,984</u>		<u>393,984</u>
Expenditures:					
Personal services	41,043		41,043		41,043
Materials and services	282,962		282,962	(1,955)	281,007
Depreciation			-	170,326	170,326
Capital outlays		40,000	40,000	(40,000)	
Debt service:			-		
Principal	56,869		56,869	(56,869)	-
Interest	11,205		11,205		11,205
Total expenditures	<u>392,079</u>	<u>40,000</u>	<u>432,079</u>	71,502	<u>503,581</u>
Excess (deficiency) of revenues over expenditures	(78,095)	40,000	(38,095)		
Transfer	40,000	(40,000)	-		
Excess (deficiency) of revenues over expenditures after transfers	(38,095)	-	(38,095)	38,095	
Change in net assets				(109,597)	(109,597)
Fund balance/net assets					
Beginning of year	<u>341,208</u>	<u>171,857</u>	<u>513,065</u>	-	<u>1,357,295</u>
End of year	<u>\$ 303,113</u>	<u>\$ 171,857</u>	<u>\$ 474,970</u>	<u>\$ -</u>	<u>\$ 1,247,698</u>

**The accompanying notes are an integral
part of these financial statements.**

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from operations	\$ 648,523	\$ 238,127
Cash paid to suppliers and employees	(395,206)	(286,801)
Interest income received	4,108	12,879
Other income	20,950	22,654
New Jersey SFSP Grant	<u>4,226</u>	<u>4,226</u>
Net cash provided (used) by operating activities	<u>282,601</u>	<u>(8,915)</u>
Cash flow from investing activities:		
Capital expenditures	(41,955)	-
Reduction of debt	(56,869)	(56,347)
Maturity of investments		101,033
Purchase of investments	<u>(172,081)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(270,905)</u>	<u>44,686</u>
Net increase in cash and cash equivalents	11,696	35,771
Cash and cash equivalents at beginning of year	<u>500,349</u>	<u>464,578</u>
Cash and cash equivalents at end of year	<u>\$ 512,045</u>	<u>\$ 500,349</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ <u>(109,597)</u>	\$ <u>(116,662)</u>
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	170,326	166,131
Change in assets and liabilities:		
(Increase) decrease in:		
Due from Township of Jackson	115,673	(115,673)
Prepaid insurance	(4,780)	
Increase (decrease) in:		
Deferred revenue	168,150	
Accounts payable and accrued expenses	<u>(57,171)</u>	<u>57,289</u>
Total adjustments	<u>392,198</u>	<u>107,747</u>
Net cash provided (used) by operating activities	<u>\$ 282,601</u>	<u>\$ (8,915)</u>

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

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Board of Fire Commissioners District No. 1 (the "District") is a corporate body created for the purpose of prevention and extinguishment of fires and regulation of fire hazards within the District. The District is governed by Commissioners ("Board") that acts as the governing body. The Board is comprised of five elected Commissioners.

The Board of Commissioners annually appoints the Chair(person) of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the District, its officers and employees to the extent set forth in their bylaws.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District.

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

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws and the bylaws of the District.

Other Funds - Other Funds is used to account for funds restricted for capital projects.

Basis of Accounting - The financial statements of the Board of Fire Commissioners District No. 1 Township of Jackson have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

(Continued)

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories of Supplies - Purchases of materials and supplies are recognized and recorded as expenditures when they are acquired, regardless of when used.

Reclassifications - Certain reclassifications have been made to the 2008 financial statements to conform with the 2009 presentation.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of reporting cash flows, cash and cash equivalents include cash on hand and investments with an initial maturity of three months or less.

Related Party Transactions - District No. 1 has one fire company within its jurisdiction. (Whitesville Volunteer Fire Co.)

Reservations of Fund Balance - The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure in the general fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for capital projects.

Net Assets - Net assets present the difference between assets and liabilities in the statements of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Capital Assets - General capital assets generally result from expenditures in the reserve for capital projects. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Subsequent Events - The District has evaluated subsequent events through May 10, 2010, the date the financial statements were available to be issued.

(Continued)

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

FIRE CODE ENFORCEMENT

The Board of Fire Commissioners, District No. 1, Jackson Township, has entered into a contract for fire protection services, with the Board of Fire Commissioners, District No. 3, Jackson Township, and as part of the contract, the Board of Commissioners by unanimous vote of all the Commissioners, meeting on October 4, 2005, approved the transferring of all responsibility and authority to the Board of Fire Commissioners, District No. 3, to oversee the fire code enforcement for the territorial area of the Board of Fire Commissioners, District No. 1, beginning January 1, 2006. This authority shall remain in effect until revoked by any future Resolutions adopted by the Board of Fire Commissioners, District No. 1, Jackson Township.

SITE LEASE WITH OPTION - CELL PHONE TOWER

The Board of Fire Commissioners, District No. 1, Township of Jackson (landlord) has entered into a rental lease agreement with Mobilite Investments II, LLC (tenant). Term of lease is thirty (30) years commencing July 17, 2009. The purchase price paid at closing was \$171,000. The rental is being amortized over three hundred sixty (360) months at \$475 per month.

Permitted Use - Premises may be used by tenant for transmission and reception of radio communication signals.

LENGTH OF SERVICE AWARD PROGRAMS

The fire district's Length of Service Awards Program ("LOSAP") was created by the Fire District Resolution approved on November 4, 2003 pursuant to Section 457 (e) (11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of Service Award Program as enacted into federal law in 1997. The voters of Township of Jackson, New Jersey Fire District No. 1 approved the adoption of the Plan at the election held on February 21, 2004, and the first year of eligibility for entrance into the Plan by qualified volunteers was calendar year 2004. The plan provides tax deferred income benefits to active volunteer firefighters. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Fire District or its creditors.

CAPITAL ASSETS

Capital assets together with accumulated depreciation and estimated useful lives consists of the following:

	<u>2009</u>	<u>2008</u>	<u>Estimated Useful Life (Years)</u>
Assets			
Land	\$ 15,000	\$ 15,000	
Building	400,000	400,000	27.5
Apparatus	1,578,726	1,743,726	10
Vehicles	<u>78,759</u>	<u>68,804</u>	5
	2,072,485	2,227,530	
Less: accumulated depreciation	<u>(1,112,973)</u>	<u>(1,139,647)</u>	
	<u>\$ 959,512</u>	<u>\$ 1,087,883</u>	

(Continued)

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
(Continued)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

CAPITAL LEASE OBLIGATION PAYABLE

Voters approved the purchase of a 1500 GPM Rear Rescue Pumper in the amount of \$525,000 at a special election held on September 5, 2006. The cost of the truck was financed by a capital lease/purchase and a down payment coming from the Reserve for Future Capital Outlays. On November 30, 2007 the Board entered into a lease/purchase agreement with Kansas State Bank to purchase a 2008 Rear Pump Rescue Pumper. The terms of the lease require the principal repayment of \$300,000 to be paid in five annual installments beginning October 1, 2008 at 4.599%.

The following schedule of future lease payments under the lease together with the present value of the lease payments as of December 31, 2008 and 2007:

<u>Due Date</u>	<u>2009</u>	<u>2008</u>
October 1, 2008	\$	\$ -
October 1, 2009		68,074
October 1, 2010	68,074	68,074
October 1, 2011	68,074	68,074
October 1, 2012	<u>68,074</u>	<u>68,075</u>
Total lease payments	204,222	272,297
Less: amount representing interest	<u>(17,438)</u>	<u>(28,644)</u>
Present value of lease payments	<u>\$ 186,784</u>	<u>\$ 243,653</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2009</u>	<u>2008</u>
Accounts payable	\$ 18,612	\$ 73,982
Accrued L.O.S.A.P.	19,699	18,376
Accrued professional fees	7,475	5,950
Accrued other	<u>-</u>	<u>4,649</u>
	<u>\$ 45,786</u>	<u>\$ 102,957</u>

(Continued)

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**NOTES TO FINANCIAL STATEMENTS
(Continued)
YEARS ENDED DECEMBER 31, 2009 AND 2008**

FAIR VALUE MEASUREMENTS

The District uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosure.

FASB ASC topic 820, fair value measurements and disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC topic 820 are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Significant other observable inputs.
- Level 3: Significant unobservable inputs.

The carrying amount of cash, investments, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short-term maturities of these instruments.

SUPPLEMENTARY INFORMATION

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenues				
Amount raised by taxation	\$ 364,700	364,700	364,700	\$ -
Interest income	12,597	12,597	4,108	(8,489)
New Jersey State Supplemental Fire Service Program	4,226	4,226	4,226	-
Cell tower income	27,600	27,600	15,450	(12,150)
Miscellaneous revenue			5,500	5,500
Restricted fund balance utilized	40,000	40,000	40,000	-
Unrestricted fund balance utilized	28,500	28,500	28,500	-
Total revenues	<u>477,623</u>	<u>477,623</u>	<u>462,484</u>	<u>(15,139)</u>
Expenditures				
Administrative				
Commissioners	4,400	4,400	4,400	-
Employee benefits		16,225	16,219	6
Insurance premiums	35,000	23,500	23,455	45
Professional fees	20,000	13,300	13,045	255
Utilities	15,000	13,450	13,430	20
Firehouse maintenance and repairs	10,000	15,025	15,020	5
Fuel, oil and gas - building	5,000	2,000	1,755	245
Fire equipment	50,000	21,500	21,464	36
Radio repairs and maintenance	2,500	15,250	15,174	76
Truck repairs and maintenance	15,000	11,500	11,243	257
Hydrants	18,000	18,000	17,220	780
Supplemental fire service program	4,649	4,649	4,649	-
Contractual service for fire protection	110,000	135,000	135,000	-
Office expenses	6,000	3,000	2,383	617
Training and education	2,000	750	725	25
Gas and oil - truck	12,000	12,000	9,124	2,876
LOSAP	20,000	20,000	19,699	301
Capital appropriation	80,000	80,000	80,000	-
Debt service appropriation	68,074	68,074	68,074	-
Total expenditures	<u>477,623</u>	<u>477,623</u>	<u>472,079</u>	<u>5,544</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,595)</u>	<u>\$ (9,595)</u>

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

STATISTICAL INFORMATION

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 three years:

<u>Calendar Year</u>	<u>Valuations (Unaudited)</u>	<u>Assessed Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/09	\$ 217,046,000	\$ 364,700	0.168
12/31/08	\$ 215,958,900	\$ 353,800	0.164
12/31/07	\$ 212,536,979	\$ 340,042	0.16
12/31/06	\$ 289,845,575	\$ 325,000	0.113

UNRESERVED FUND BALANCE:

Following is a tabulation of unreserved fund balance and subsequent budget action thereon for the current and preceding three years:

<u>Calendar Year Ended</u>	<u>End of Calendar Year</u>	<u>Utilization in Subsequent Budget</u>
12/31/09	\$ 303,113	\$ 51,857
12/31/08	\$ 341,208	\$ 28,500
12/31/07	\$ 388,086	\$ 53,074
12/31/06	\$ 498,152	\$ 203,000

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON

ROSTER OF OFFICIALS**

<u>Name</u>	<u>Amount of Dishonesty Bond</u>
<u>Board of Commissioners</u>	
Dave Johnson, President	\$ 750,000
Martin Flemming IV, Vice President	\$ 750,000
Martin Flemming III, Treasurer	\$ 750,000
Robert Redington Jr., Secretary	\$ 750,000
Glen Blasi, Commissioner	\$ 750,000

Surety Name
American Alternative Insurance Corporation

**Board of Fire Commissioners
District No. 1
Township of Jackson**

**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**

We have audited the financial statements of Board of Fire Commissioners, District No. 1, Township of Jackson as of and for the year ended December 31, 2009, and have issued our report thereon dated May 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Board of Fire Commissioners, District No. 1, Township of Jackson's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Fire Commissioners, District No.1, Township of Jackson's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Fire Commissioners, District No. 1, Township of Jackson's internal control over financial reporting.

Our 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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Fire Commissioners, District No. 1, Township of Jackson's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Fire Commissioners, District No. 1, Township of Jackson's financial statements that is more than inconsequential will not be prevented or detected by the Board of Fire Commissioners, District No. 1, Township of Jackson's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. (2009-1)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Fire Commissioners, District No. 1, Township of Jackson's internal control.

MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

**Board of Fire Commissioners
District No. 1
Township of Jackson**

**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
(Continued)**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Board of Fire Commissioners, District No. 1, Township of Jackson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed several instances of noncompliance required to be reported under *Government Auditing Standards* (See schedule of findings and responses). We considered these instances of noncompliance in forming our opinion on whether the Board of Fire Commissioners, District No. 1, Township of Jackson's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated May 10, 2010.

Board of Fire Commissioners, District No. 1, Township of Jackson's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Board of Fire Commissioners, District No. 1, Township of Jackson's response, and accordingly, we express no opinion on it.

This report is intended for the information and use of management of the Board of Fire Commissioners, District No.1, Township of Jackson and the Division of Local Government Services. However, this report is a matter of public record and its distribution is not limited.

Mohe Elliott Bauer & Gass

May 10, 2010

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF JACKSON**

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2009**

SIGNIFICANT DEFICIENCIES

Finding: 2009-1

Criteria: Auditor drafting of client's financial statements

Condition: Bookkeeper does not have adequate technical training in the preparation of financial statements.

Response: Management plans to review, approve and accept responsibility for the financial statements prior to their issuance.

COMPLIANCE AND OTHER MATTERS

Finding: 2009-2

Criteria: Audit not completed and financial statements not filed with the Authority within four months after the close of the fiscal year as required by N.J.S.A. 40A: 5A-15.

Response: Management will have the books and records available prior to April 30, 2011 and the audit will be completed and financial statements filed with the Authority prior to April 30, 2011.

Finding: 2009-3

Criteria: Annual review of LOSAP not prepared as required by N.J.A.C. 5:30-14.49.

Response: Management will have a review of it's LOSAP in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants performed as soon as possible.