



MARTHA C. CARROLL, CPA, LLC

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

**Financial Statements
and
Reports on Audit**

December 31, 2013

**Jackson Township Fire District No 2
December 31, 2013**

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**Jackson Township Fire District No. 2
December 31, 2013**

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Jackson Township Fire District No. 2
Roster of Commissioners
December 31, 2013

Charles Bunnell
President

Jason Symons
Vice President

Vincent Rubio
Secretary

John Poppe, Jr.
Treasurer

Keith Wickham
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

Report on the Financial Statements

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, 2013, 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.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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, 2013, 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 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 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.

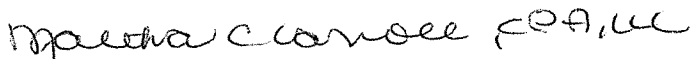
Other Supplementary Information

The other supplementary information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 22, 2014 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* in considering the Board of Fire Commissioners, Jackson Township Fire District No. 2's internal control over financial reporting and compliance.

Respectfully submitted,



Martha C. Carroll, CPA, LLC

Toms River, New Jersey
September 22, 2014



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**

Independent Auditor's Report

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey, 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, 2013, and the related notes to the financial statements, which collectively comprise the Board of Commissioners, Jackson Township Fire District No. 2's basic financial statements and have issued my report thereon dated September 22, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, I do not express an opinion on the effectiveness of the Board'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 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 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I 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 the Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations,

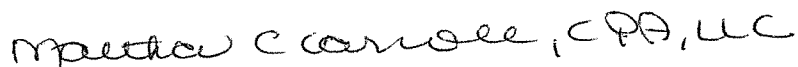
Compliance and Other Matters (continued)

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 no instances 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Martha C. Carroll, CPA, LLC

Toms River, New Jersey
September 22, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART 1

**JACKSON TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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, 2013. 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 15. Notes to the financial statements will provide the reader with additional useful information and they begin on page 22.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at December 31, 2013 by approximately \$2.18 million. In 2012 the excess was approximately \$1.98 million. This is an increase of approximately \$199,100 or 10%.
- During 2013 Jackson Township Fire District No. 2 operated at a surplus of approximately \$199,100. The surplus in 2012 was approximately \$24,500. This is an increase of approximately \$174,600 or 713%.
- The District's liabilities decreased by 1.7% in 2013. This is a decrease of approximately \$10,000.

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 Position 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 position. Significant increases or decreases in the District's net position 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 position 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.

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 the reader 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 three separate governmental funds, the government fund, the capital fund, and the fiduciary fund. 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.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position 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

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).

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 position is a useful indicator of the District's financial condition. At the end of 2013 the District's assets exceeded the liabilities by approximately \$2.18 million. The largest portion of Jackson Township Fire District No. 2's net position (49.1%) 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.

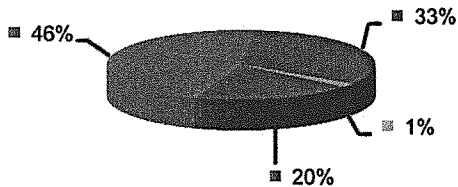
Statement of Net Position

JACKSON TOWNSHIP FIRE DISTRICT NO. 2
NET POSITION
DECEMBER 31, 2013

	2013	2012	\$ Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	\$1,409,832	\$1,147,847	261,985	22.8%
Capital Assets	<u>1,361,160</u>	<u>1,433,969</u>	(72,809)	(5.1%)
Total Assets	2,770,992	2,581,816	189,176	7.3%
Other Liabilities	<u>(588,694)</u>	<u>(598,646)</u>	(9,952)	(1.7%)
Net Position	<u>\$2,182,298</u>	<u>\$1,983,170</u>	199,128	10.0%

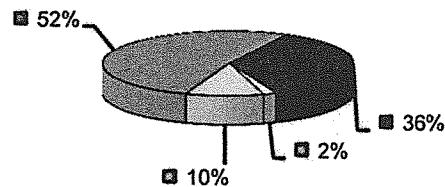
	2013	2012	\$ Increase (Decrease)	% Increase (Decrease)
Analysis of Net Position				
Invested in Capital Assets Net of Related Debt	\$1,005,104	\$1,034,169	(29,065)	(2.8%)
Restricted for Capital Projects	718,056	717,579	477	.1%
Restricted for Dedicated Penalties	32,251	32,251	0	0%
Unrestricted	<u>426,887</u>	<u>199,171</u>	227,716	114.3%
Total Net Position	<u>\$2,182,298</u>	<u>\$1,983,170</u>	199,128	10.0%

2013 Net Position



■ Invested in Net Position ■ Capital Projects
 ■ Dedicated Penalties ■ Unrestricted

2012 Net Position



■ Invested in Net Position ■ Capital Projects
 ■ Dedicated Penalties ■ Unrestricted

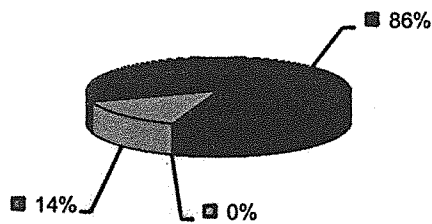
The net position of Jackson Township Fire District No. 2 increased approximately \$199,100 during the 2013 period. This increase was due primarily to the District's excess of revenues over expenditures. Other major changes in net position at December 31, 2013 were a \$252,700 increase in cash and a \$40,700 decrease in debt service. The District added approximately \$57,500 of capital assets during the year. In 2013 the net capital assets were decreased by approximately \$72,800.

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:

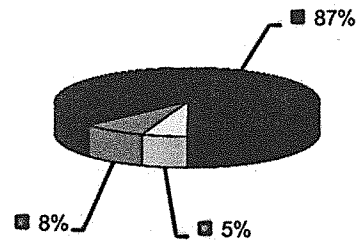
	2013	2012	\$ Increase (Decrease)	% Increase (Decrease)
Expenses				
Program Expenses				
Administrative Expenses	\$ 146,544	\$ 83,211	63,333	76.1%
Cost of Operations & Maintenance	876,041	948,449	(72,408)	7.6%
Operating Appropriations Offset With Revenues	<u>- 0 -</u>	<u>59,485</u>	(59,485)	(100.0%)
Total Program Expenses	1,022,585	1,091,145	(68,560)	(6.3%)

2013 Program Expenses



■ Administrative
■ Operations
■ Expenses offset by Revenues

2012 Program Expenses

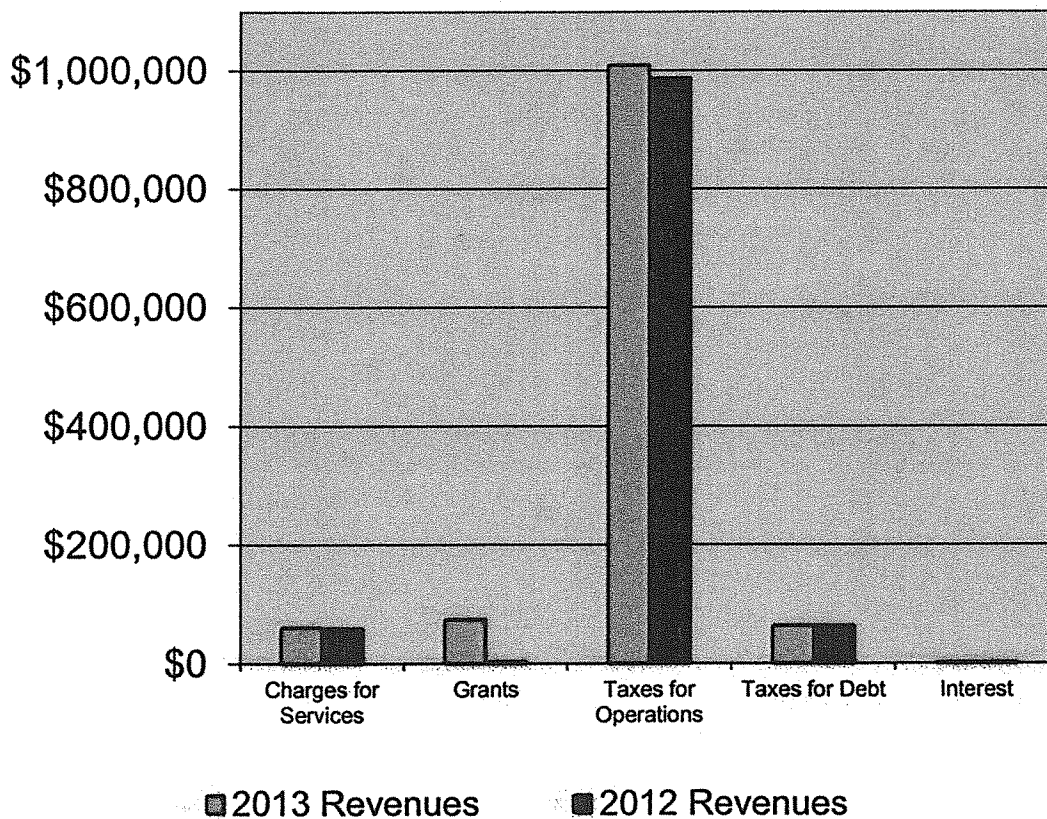


■ Administrative
■ Operations
■ Expenses offset by Revenues

	2013	2012	\$ Increase (Decrease)	% Increase (Decrease)
Program Revenues				
Charges for Services	61,362	59,485	1,877	3.2%
Operating Grants & Contributions	<u>74,547</u>	<u>3,257</u>	71,290	2188.8%
Net Program Expenses	<u>886,676</u>	<u>1,028,403</u>	(141,727)	(13.8%)

	2013	2012	\$ Increase (Decrease)	% Increase (Decrease)
General Revenues				
Property Taxes Levied for General Purposes	\$1,009,160	\$ 987,383	21,777	2.2%
Property Taxes Levied for Debt Service	63,771	63,771	- 0 -	- 0 -
Unrestricted Investment Earnings	1,709	1,588	121	7.6%
Miscellaneous Income	<u>11,164</u>	<u>119</u>	11,045	9281.5%
Total General Revenues	<u>1,085,804</u>	<u>1,052,861</u>	32,943	3.1%
Increase in Net Position	199,128	24,458	174,670	714.2%
Net Position, January 1	<u>1,983,170</u>	<u>1,958,712</u>	24,458	1.2%
Net Position, December 31	<u>\$2,182,298</u>	<u>\$1,983,170</u>	199,128	10.0%

Revenues



Property tax revenue constituted 88% of the total governmental activities revenues received by Jackson Township Fire District No. 2 in 2013. In 2012 the property tax revenue constituted 95% of total revenues.

The Cost of Operations & Maintenance was 86% and 92% of the District's total net expenses in 2013 and 2012 respectively. Administration expenses equaled 14% and 8% of the total net expenses in 2013 and 2012.

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, 2013, the combined balance of the governmental cash funds of Jackson Township Fire District No. 2 was approximately \$1,365,300. This balance is approximately \$253,200 higher than last year's combined governmental cash funds balance. The increase is due primarily to the surplus generated in the Capital Fund and the receipt of receivables in the General Fund.

The combined balance of the governmental funds of Jackson Township Fire District No. 2 was approximately \$1,133,700. Assigned fund balance of \$31,757 consisted of encumbrances.

The general fund is the main operating fund of Jackson Township Fire District No. 2. At the end of 2013, the total fund balance of the general fund was approximately \$424,700.

During 2013 the general fund balance of Jackson Township Fire District No. 2 increased by approximately \$226,100. The primary reasons for this increase are as follows:

- The District increased their payables by approximately \$32,900.
- The Board's receivables increased by approximately \$4,300.
- The Board's general fund operated at a surplus of approximately \$226,100.

At the end of 2013, the District had a capital projects fund balance of approximately \$718,100. This balance increased by approximately \$500 from the previous year. The major changes in this fund balance were:

- Interest income on deposits of \$500.

General Fund Budgetary Highlights

The 2013 Budget was balanced and there was no need to utilize any accumulated surplus.

Overall, the District spent approximately \$128,000 less than originally anticipated in the budget for 2013. The District received approximately \$98,200 more in revenue than was included in the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2013 Jackson Township Fire District No. 2 had invested in capital assets for government activities \$1,361,160 (net of accumulated depreciation). Capital assets consist of firehouse improvements, fire apparatus, fire equipment, and office equipment. They purchased approximately \$74,400 and disposed of approximately \$131,800 of equipment in 2013.

JACKSON TOWNSHIP FIRE DISTRICT NO. 2
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
DECEMBER 31, 2013

	2013	2012	\$ Increase (Decrease)
Firehouse & Land	\$ 1,557,058	\$ 1,507,765	49,293
Vehicles & Apparatus	1,874,451	1,993,182	(118,731)
Equipment	<u>350,711</u>	<u>338,681</u>	12,030
Total Capital Assets	3,782,220	3,839,628	(57,408)
Accumulated Depreciation	<u>2,421,060</u>	<u>2,405,659</u>	15,401
Investment in Capital Assets – net	<u>\$ 1,361,160</u>	<u>\$ 1,433,969</u>	(72,809)

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 entered into a lease purchase for a 2008 Rosenbauer Fire Apparatus in 2010. The lease purchase is for ten annual payments of \$63,771.88. The current balance of the lease payments is \$359,056.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

In 2013, Jackson Township Fire District No. 2 was able to cover all its appropriations through the fire tax levy and other revenues. In 2013 the fire tax levy amounted to 88% of total revenue collected.

In 2014, Jackson Township Fire District No. 2 adopted their 2014 budget on January 9, 2014. The voters subsequently approved the budget at the February election. The 2014 budget reflects an increase of \$29,572 in the 2014 tax levy.

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, P.O. Box 47, Jackson, New Jersey, 08527.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Jackson Township Fire District No. 2
Statement of Net Position
December 31, 2013

Assets

Cash and cash equivalents	\$ 614,965
Accounts receivable	7,102
Prepaid insurance	37,458
Restricted assets:	
Restricted cash and cash equivalents	750,307
Capital assets, net	<u>1,361,160</u>
 Total Assets	 <u>2,770,992</u>

Liabilities

Accounts payable and accrued expenses	170,687
LOSAP payable	26,700
Due to fire company	32,251
Noncurrent liabilities	
Due within one year	43,090
Due beyond one year	<u>315,966</u>
 Total Liabilities	 <u>588,694</u>

Net Position

Invested in capital assets, net of related debt	1,005,104
Restricted for:	
Capital projects	718,056
Dedicated penalties	32,251
Unrestricted	<u>426,887</u>
 Total Net Position	 <u>\$ 2,182,298</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, 2013

Expenses	
Operating	\$ 999,557
Interest	<u>23,028</u>
Total Program Expenses	1,022,585
Program Revenues	
Charges for services	61,362
Operating grants and contributions	<u>74,547</u>
Net Program Expenses	<u>886,676</u>
General Revenues	
Taxes	
Property taxes levied for general purposes	1,009,160
Property taxes levied for debt service	63,771
Investment earnings	1,709
Other	<u>11,164</u>
Total General Revenues	<u>1,085,804</u>
Change in Net Position	199,128
Net Position, January 1	<u>1,983,170</u>
Net Position, December 31	<u><u>\$ 2,182,298</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, 2013

	General Fund	Capital Projects Fund	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,126,288	\$ 238,984	\$ -	\$ 1,365,272
Accounts receivable	7,102			7,102
Interfund receivable		479,072		479,072
Total Assets	\$ 1,133,390	\$ 718,056	\$ -	\$ 1,851,446
 Liabilities and Fund Balances				
Current liabilities				
Accounts payable and accrued expenses	\$ 170,687	\$ -	\$ -	\$ 170,687
LOSAP payable	26,700			26,700
Due to fire company	32,251			32,251
Interfund payable	479,072			479,072
Total Liabilities	708,710	-	-	708,710
 Fund Balances				
Restricted for:				
Capital		718,056		718,056
Assigned for:				
Other purposes	31,757			31,757
Unassigned	392,923			392,923
Total Fund Balances	424,680	718,056	-	1,142,736
 Total Liabilities and Fund Balances	 \$ 1,133,390	 \$ 718,056	 \$ -	

(Continued)

Jackson Township Fire District No. 2
 Balance Sheet
 — Governmental Funds
 December 31, 2013

Total
 Governmental
 Funds

 (Continued)

Amounts reported for *governmental activities* in the statement of net position (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)	\$ 37,458
Payments not made in current period (Capital Lease)	(359,056)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,782,220 and the accumulated depreciation is \$2,421,060	1,361,160

Net position of governmental activities	\$ <u><u>2,182,298</u></u>

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, 2013

	General	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
District taxes	\$ 1,009,160	\$ -	\$ 63,771	\$ 1,072,931
Supplemental Fire Service Grant	3,257			3,257
FEMA Grant	71,290			71,290
Fees and permits	338			338
Charges for services	61,362			61,362
Other revenues	2,975			2,975
Interest on deposits and investments	1,232	477		1,709
Total Revenues	1,149,614	477	63,771	1,213,862
Expenditures				
Operating appropriations	931,327			931,327
Debt Service:				
Principal			40,743	40,743
Interest			23,028	23,028
Total Expenditures	931,327		63,771	995,098
Excess of revenues over expenditures	218,287	477	-	218,764
Other Financing Sources				
Sale of assets	7,851			7,851
Total Other Financing Sources	7,851		-	7,851
Net Change in Fund Balances	226,138	477	-	226,615
Fund balances, January 1	198,542	717,579	-	916,121
Fund balances, December 31	<u>\$ 424,680</u>	<u>\$ 718,056</u>	<u>\$ -</u>	<u>\$ 1,142,736</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, 2013**

Total Net Change in Fund Balances - Governmental Funds \$ 226,615

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 \$147,203 exceeded capital outlays of \$74,395. (72,808)

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 (+) 37,458-32,880 prepaid insurance and principal payment of (+) \$40,743. 45,321

Change in Net Position of Governmental Activities \$ 199,128

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

**Jackson Township Fire District No 2
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013**

	Agency Funds
Assets	
Cash and cash equivalents	\$ -
Investments, at fair value	
Mutual funds	139,491
Total Assets	139,491
 Liabilities	
Length of Service Award Program contributions	139,491
Total Liabilities	139,491
 Net Position	
Unrestricted	-
Total Net Position	\$ -

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