

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

WITH

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

**Board of Fire Commissioners
Borough of Manasquan, District No. 1**

Report on the Financial Statements

I have audited the accompanying financial statements of the Board of Fire Commissioners, Borough of Manasquan, District No.1, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basis 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 an opinion 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and auditing standards prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Board of Fire Commissioners
Borough of Manasquan, District No. 1**

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Fire Commissioners, Borough of Manasquan, District No. 1, as of December 31, 2016 and 2015, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 5 and 15 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 27, 2017, on my consideration of the Board of Fire Commissioners, Borough of Manasquan, District No. 1's internal control over financial reporting and on 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Borough of Manasquan, District No. 1's internal control over financial reporting and compliance.



Barry J. Osborn, CPA
Brielle, New Jersey
September 27, 2017

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

My discussion and analysis of Board of Fire Commissioners, District No. 1, Borough of Manasquan financial performance provides an overview of the district's financial activities for the year ended December 31, 2016. Please review it in conjunction with the district's basic financial statements which begin on page 6.

Financial Highlights

Total net assets increased \$146,457 which represents an 11.73 percent increase from 2015. \$65,191 was the excess of revenues over expenditures in the general fund, \$97,470 was the increase in net assets restricted for capital projects and \$16,204 was the decrease in net assets invested in capital assets.

The amount raised by taxation was \$774,494 or 95.73 percent of all revenues. Fees under the Uniform Fire Safety Act, interest and other income amounted to \$34,691 or 4.27 percent of all revenues.

Total program expenses have decreased \$30,103 or 4.35 percent.

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

My 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 Statement of Net Assets and the Statement of Activities report information about the district as a whole and

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

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.

Reporting the District's Most Significant Funds

Fund Financial Statements

My 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 financial the district's programs.

The District as a Whole

The district's total net assets increased \$146,457 to \$1,394,547 or 11.7 percent. Details of the changes are reflected on page 8.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Original Versus Final Budget

As reflected on page 14. The variances between the original and final budgeted amounts were insignificant.

Final Budget Versus Actual Results

As reflected on page 15, the district operated within budgetary constraints. Actual expenses were under the final budget by \$105,872

Capital Assets

At year end, the district had \$2,610,920 in total capital assets; a net increase over 2015 of \$13,864. This is due to the purchase of firefighting equipment, apparatus and vehicles.

Debt Administration

During 2016 the district had no debt due. For additional information refer to note on commitments, page 13.

Economic Factors and Next Year's Budget and Rates

The district's governing body considered many factors when setting the 2017 budget and tax rates including the economy, the rate of inflation and planned future capital projects. The tax rate is expected to remain at \$.040 per \$100 of assessed valuation.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and 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 38 Taylor Avenue, Manasquan, NJ 08736.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
STATEMENT OF NET ASSETS
DECEMBER 31, 2015 AND 2014

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,178,565	\$ 1,112,839
Accounts Receivable	1,295	985
Miscellaneous Receivable	0	4,625
Prepaid Expense	57,074	0
Prepaid Insurance	26,298	1,615
Prepaid Rent	2,000	0
Security Deposit	2,000	2,000
Capital Assets, net	<u>587,408</u>	<u>650,239</u>
Total Assets	<u>\$ 1,854,640</u>	<u>\$ 1,772,303</u>
 LIABILITIES		
Accounts Payable and Other Payables	\$ 156,720	\$ 174,213
Capital Lease Obligation Payable	<u>303,373</u>	<u>350,000</u>
Total Liabilities	<u>460,093</u>	<u>524,213</u>
 NET ASSETS		
Invested in Capital Assets, Net of Related Debt	284,035	300,239
Restricted for Capital Projects	234,138	136,668
Unrestricted	<u>876,374</u>	<u>811,183</u>
Total Net Assets	<u>\$ 1,394,547</u>	<u>\$ 1,248,090</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Expenses		
Personal services	\$ 105,788	\$ 98,100
Material and services	436,379	457,727
Depreciation	<u>120,361</u>	<u>136,804</u>
Total program expenses	<u>662,528</u>	<u>676,978</u>
Program Services		
Charges for services	<u>29,625</u>	<u>26,919</u>
Net program expenses	<u>632,903</u>	<u>665,712</u>
General Revenues		
Amount raised by taxation	774,494	757,101
Interest income	598	596
New Jersey SFSA Grant	1,898	1,898
Other income	<u>2,370</u>	<u>0</u>
Total general revenues	<u>779,360</u>	<u>759,595</u>
Increase (decrease) in net assets	146,457	93,883
Net Assets – beginning of year	<u>1,248,090</u>	<u>1,154,207</u>
Net Assets – end of year	<u>\$1,394,547</u>	<u>\$1,248,090</u>

The accompanying notes are an integral part
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BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES**
YEAR ENDED DECEMBER 31, 2016

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjust- ments</u>	<u>Statement of Activities</u>
Revenues					
Amount raised by taxation	\$619,494	\$155,000	\$774,494		\$774,494
Charges for services	29,425	-	29,425		29,425
Fines/Penalties	200	-	200		200
Interest income	598	-	598		598
SFSA Grant	1,898	-	1,898		1,898
Other income	<u>2,370</u>	<u>-</u>	<u>2,370</u>		<u>2,370</u>
Total revenues	<u>653,985</u>	<u>155,000</u>	<u>808,985</u>		<u>808,985</u>
Expenditures					
Personal services	105,788	-	105,788	-	105,788
Materials and services	428,259	-	428,259	-	428,259
Depreciation	-	-	-	120,361	120,361
Capital outlays	-	57,530	57,530	(57,530)	-
Debit service:					
Principal	46,626	-	46,626	46,626	-
Interest	8,120	-	8,120	-	8,120
Rounding	<u>1</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>-</u>
Total expenditures	<u>588,794</u>	<u>57,530</u>	<u>646,324</u>	<u>16,204</u>	<u>662,528</u>
Excess of Revenue Over Expenditures	65,191	97,470	162,661	162,661	
Change in net assets				146,457	146,457
Fund Balance/net assets					
Beginning of year	<u>811,183</u>	<u>136,668</u>	<u>947,851</u>	<u>-</u>	<u>1,248,090</u>
End of year	<u>\$876,374</u>	<u>\$234,138</u>	<u>\$1,110,512</u>	<u>\$ -</u>	<u>\$1,394,547</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from operations	\$ 774,494	\$ 757,101
Charges for service	29,425	26,644
Cash paid to suppliers	(639,102)	(513,980)
Fines/Penalties	200	275
Interest income received	598	596
New Jersey SFSP Grant	1,898	1,898
Other income	<u>2,370</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>169,883</u>	<u>272,534</u>
Cash flows from investing activities:		
Reduction of debt	(46,627)	-
Capital expenditures	(57,530)	(592,881)
New Debt	<u>-</u>	<u>350,000</u>
Net cash provided (used) by Investing activities	<u>(104,157)</u>	<u>(242,881)</u>
Net increase (decrease) in cash and cash equivalents	65,726	29,653
Cash and cash equivalents at the beginning of year	<u>1,112,839</u>	<u>1,083,186</u>
Cash and cash equivalents at end of year	<u>\$ 1,178,565</u>	<u>\$ 1,112,839</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	<u>\$146,457</u>	<u>\$ 93,883</u>
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	120,361	136,804
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(310)	(4)
Miscellaneous Receivable	4,625	(4,625)
Prepaid Expense	(57,074)	
Prepaid Insurance	(24,683)	(4)
Prepaid Rent	(2,000)	2,252
Security Deposit	-	(400)
Increase (decrease) in:		
Accounts payable and other payables	<u>(17,493)</u>	<u>44,628</u>
Total adjustments	<u>23,426</u>	<u>178,651</u>
Net cash provided (used) by operating activities	<u>\$ 169,883</u>	<u>\$ 272,534</u>

The accompanying notes are an integral part
of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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’s 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 State of America (GAAP) as applicable to governmental units. The financial statements include all organization, 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.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2016 AND 2015

Basis of Accounting – The financial statements of the Board of Fire Commissioners, District No. 1, Borough of Manasquan, 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.

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 2015 financial statements to conform to the 2016 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 purpose 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 is comprised of two fire companies as follows:

1. Manasquan Hook & Ladder
2. Volunteer Engine Company #2

The Board of Fire Commissioners has entered into an agreement with the company to provide fire fighting services.

Reservations of Fund Balance – The District records reservations for portions of funds 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.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2016 AND 2015

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 assets or materially extend the asset's life are not.

Accounts Payable and Accrued Expenses

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 57,351	\$ 72,566
Accrued expense	<u>99,369</u>	<u>101,647</u>
	<u>\$ 156,720</u>	<u>\$ 174,213</u>

Capital Assets

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

	<u>2016</u>	<u>2015</u>	
Apparatus	\$1,838,456	\$1,838,456	5-10
Vehicles	200,517	201,674	5
Equipment	<u>571,947</u>	<u>556,926</u>	5
	2,610,920	2,597,056	
Less, accumulated depreciation	<u>2,023,512</u>	<u>1,946,817</u>	
	<u>\$ 587,408</u>	<u>\$ 650,239</u>	

Subsequent Events - The District has evaluated subsequent events through September 27, 2017, the date the financial statements were available to be issued.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2016 AND 2015

Commitments

The Board leases facilities and equipment from Manasquan Hook & Ladder Company No. 1 and Volunteer Engine Company No. 2. The lease is for a term of one year and is automatically renewable from year to year. If either party decides not to renew, written notice must be given sixty days prior to expiration of the term. Rental is paid semi-annually in the amount of \$15,000, each company.

The Board leases office space in Manasquan, NJ. The lease is for a term of five years and is subject to the Board receiving funding through tax appropriations on an annual basis. Rent expense was \$24,000 in 2015.

The following is a schedule of future minimum rental payments required if funding is approved:

2017	24,000
2018	24,000
2019	24,000
2020	<u>14,000</u>
Total minimum payments required	<u>\$86,000</u>

The Board has entered into a lease with the option to purchase agreement for a 2015 fire pumper truck with equipment. The lease dated as of January 28, 2015 in the amount of \$350,000 is payable in annual installments of \$54,746 and bears interest at the rate of 2.32%.

If insufficient funds are available in lessee's budget for the next budget year to make the rental payment for the next renewal term and the funds to make such rental payment are otherwise unavailable by any lawful means, then lessees shall have the option to non-appropriate the funds to pay the rental payments for the next renewal term. If lessee chooses this option, then all obligations of the lessee under this agreement regarding rental payments for all remaining renewal terms shall be terminated.

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
NOTES TO FINANCIAL STATEMENTS
(continued)
YEARS ENDED DECEMBER 31, 2016 AND 2015

The following is a schedule of future lease payments under the lease together with the present value of the lease payments as of December 31, 2016 and 2015.

<u>Due Date</u>	<u>2016</u>	<u>2015</u>
January 28	\$ 54,746	\$ -
Later years	<u>273,733</u>	<u>383,225</u>
	328,479	383,225
Less, amount representing interest	<u>25,106</u>	<u>25,106</u>
Present value of lease payments	<u>\$303,373</u>	<u>\$350,000</u>

Pension Plan

The Board of Fire Commissioners, Borough of Manasquan, District No. 1 participates in the Public Employee Retirement System of New Jersey which is a part of the Division of Pensions in the Department of the Treasury, State of New Jersey. The plan is funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plan, which covers public employees throughout the state, does not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Authority who are members of the plan is not available. Pension expense was \$14,545 and \$7,768 in 2016 and 2015, respectively.

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, 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
BOROUGH OF MANASQUAN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	Budgeted	Amounts	Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u> <u>Basis</u>	Final Budget Positive <u>(Negative)</u>
Revenues				
Amount raised by taxation	\$ 774,494	\$ 774,494	\$ 774,494	-
Interest income	1,000	1,000	598	(402)
New Jersey Supplemental Fire Service Grant Program	1,898	1,898	1,898	0
BFS Fees	31,125	31,125	29,425	(1,700)
Fines/Penalties	0	0	200	200
Miscellaneous income	0	0	2,370	2,370
Fund Balance Utilized	<u>41,149</u>	<u>41,149</u>	<u>41,149</u>	<u>0</u>
Total revenues	<u>849,666</u>	<u>849,666</u>	<u>850,134</u>	<u>468</u>
Expenditures				
Dues & Subscriptions	900	900	610	290
Salary – Commissioners	10,000	10,000	10,000	0
LOSAP	115,000	115,000	87,043	27,957
Materials and supplies	22,000	22,000	5,589	16,411
Rental charges	92,550	92,550	88,330	4,220
Insurance premiums	62,100	62,100	51,843	10,257
Professional services	44,000	44,000	39,847	4,153
Advertising	1,500	1,500	1,119	381
Elections	1,700	1,700	770	930
Training and education	25,542	25,542	14,763	10,779
Office expenses	14,600	14,600	5,376	9,233
Maintenance and repairs	63,000	56,453	45,288	11,165
Capital appropriations	155,000	155,000	155,000	0
Capital lease	54,699	54,746	54,746	0
New equipment	68,500	74,500	74,491	9
Salaries & wages	53,750	53,750	46,102	7,648
Fringe benefits	22,200	22,700	22,681	19
Utilities	5,500	5,500	4,493	1,007
Appropriation to First Aid	6,000	6,000	5,645	355
BFS-salaries	24,750	24,750	24,750	0
BFS-other	<u>6,375</u>	<u>6,375</u>	<u>5,317</u>	<u>1,058</u>
Total expenditures	<u>849,666</u>	<u>849,666</u>	<u>743,794</u>	<u>105,872</u>
Excess of Revenues Over Expenditures	-	-	<u>\$106,340</u>	<u>\$106,340</u>

The accompanying notes are an integral part of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
STATISTICAL INFORMATION
DECEMBER 31, 2016

Property Tax Levies

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations.

<u>Calendar Year</u>	<u>Assessed Valuations (Unaudited)</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/2016	1,967,579,475	774,494	.040
12/31/2015	1,965,559,906	757,101	.048
12/31/2014	1,555,731,800	737,195	.048
12/31/2013	1,615,226,654	727,810	.045

Unrestricted 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>
December 31, 2016	876,374	-
December 31, 2015	811,183	41,149
December 31, 2014	690,495	-
December 31, 2013	548,815	18,130

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF MANASQUAN
ROSTER OF OFFICIALS

<u>Name</u>	<u>Amount of Dishonesty Bond</u>
<u>Board of Commissioners</u>	
James Hofstetter, Chairman	-
Drew Coder, 1 st Vice Chairman	-
John White, 2 nd Vice Chairman	-
John Herbert, Treasurer	\$1,000,000
Carmen Triggiano, Secretary	
Laura Perry, Clerk	
Chris Barkalow, Fire Marshall	-

Company Name

Monmouth Municipal Joint Insurance Fund.

BARRY J. OSBORN

CERTIFIED PUBLIC ACCOUNTANT

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BRIELLE, NJ 08730

(732) 223-1333
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Board of Fire Commissioners Borough of Manasquan, District No. 1

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with Government Auditing Standards

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Board of Fire Commissioners, Borough of Manasquan, District No. 1, as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the Board of Fire Commissioners, Borough of Manasquan, District No. 1's basic financial statements, and have issued my report thereon dated September 27, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Board of Fire Commissioners, Borough of Manasquan, District No. 1'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Fire Commissioners, Borough of Manasquan, District No. 1's internal control. Accordingly, I do not express an opinion on the effectiveness of the Board of Fire Commissioners, Borough of Manasquan, District No. 1's internal control.

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

**Board of Fire Commissioners
Borough of Manasquan, District No. 1**

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 we 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 of Fire Commissioners, Borough of Manasquan, District No. 1's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Barry J. Osborn, CPA
Brielle, New Jersey
September 27, 2017