

**EASTAMPTON TOWNSHIP  
FIRE DISTRICT NO. 1  
County of Burlington**

**REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**EASTAMPTON TOWNSHIP FIRE DISTRICT NO. 1**

**BOARD OF FIRE COMMISSIONERS**

**David Osworth**  
**Chairman**

**Jason White**  
**Vice-Chairman**

**Greg Luisi**  
**Secretary**

**Paul O'Reilly**  
**Treasurer**



Financial Section



# ***INVERSO & STEWART, LLC***

**Certified Public Accountants**

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American Institute of CPAs  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Fire Commissioners  
Eastampton Township Fire District No. 1  
County of Burlington  
Eastampton, New Jersey

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, and each major fund of the Eastampton Township Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire 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 in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, 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 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 Fire District'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 Fire District'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 Eastampton Township Fire District No. 1, in the County of Burlington, State of New Jersey, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eastampton Township Fire District No. 1's basic financial statements. The related major fund supporting statements and 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.

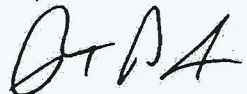
The statements and schedules previously referred to are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2020 on my consideration of the Eastampton Township Fire District No. 1'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 Eastampton Township Fire District No. 1's internal control over financial reporting and compliance.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant

Marlton, New Jersey  
June 30, 2020



# ***INVERSO & STEWART, LLC***

**Certified Public Accountants**

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## **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 Fire Commissioners  
Eastampton Township Fire District No. 1  
County of Burlington  
Eastampton, New Jersey

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, and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, and each major fund of Eastampton Township Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements, and have issued my report thereon dated June 30, 2020.

#### ***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Eastampton Township Fire 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Eastampton Township Fire 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 Fire District'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.

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***

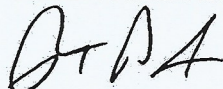
As part of obtaining reasonable assurance about whether the Eastampton Township Fire District No. 1's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District'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, Department of Community Affairs, State of New Jersey in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant

Marlton, New Jersey  
June 30, 2020



Required Supplementary Information - Part I

Management's Discussion and Analysis



**Eastampton Township Fire District No. 1  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2019**

As management of the Eastampton Township Fire District No. 1, New Jersey (Fire District), we offer readers of the Fire District's financial statements this narrative overview and analysis of the Fire District for the fiscal year ended December 31, 2019.

**Financial Highlights**

- The assets of the Fire District exceeded its liabilities at the close of the most recent fiscal year by \$578,004.
- Governmental activities have unrestricted net position of \$56,131.
- The total net position of the Fire District increased by \$18,069 or a 3.23% increase from the prior fiscal year-end balance. The increase is attributable to the results of operation in the General Fund.
- Fund balance of the Fire District's governmental funds increased by \$14,668 resulting in an ending fund balance of \$231,404. This increase is due to the net increase in the General fund.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Fire District's basic financial statements. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-wide Financial Statements**

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net position* presents information about all of the Fire District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Fire District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the Fire District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the Fire District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Capital Projects Fund, and Debt Service Fund.



## **Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the Fire District are *governmental funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The Fire District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The Fire District adopts an annual appropriated budget for the General Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

## **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### **District-wide Financial Analysis**

The assets of the Fire District are classified as current assets and capital assets. Cash, investments, and receivables are current assets. These assets are available to provide resources for the near-term operations of the Fire District. The majority of the current assets are the results of the district tax levy.

Capital assets are used in the operations of the Fire District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2019.

A net investment of \$353,120 in vehicles and equipment which provide the services to the Fire District's citizens, represents 60.45% of the Fire District's net position. Net position of \$106,753 has been restricted to provide resources for future capital projects and \$62,000 for appropriation in the 2020 Budget.



**Eastampton Township Fire District No. 1**  
**Statement of Net Position**  
**For the Year Ended December 31, 2019 and 2018**

|                                  | <u>2019</u>       | <u>2018</u>       |
|----------------------------------|-------------------|-------------------|
| Assets:                          |                   |                   |
| Current assets                   | \$ 253,649        | \$ 824,450        |
| Capital assets                   | <u>599,142</u>    | <u>633,129</u>    |
| <b>Total assets</b>              | <u>852,791</u>    | <u>1,457,579</u>  |
| Liabilities:                     |                   |                   |
| Current Liabilities              | 28,765            | 615,199           |
| Noncurrent Liabilities           | <u>246,022</u>    | <u>282,445</u>    |
| <b>Total liabilities</b>         | <u>274,787</u>    | <u>897,644</u>    |
| <b>Net position</b>              | <u>\$ 578,004</u> | <u>\$ 559,935</u> |
|                                  |                   |                   |
| Net position consist of:         |                   |                   |
| Net investment in capital assets | \$ 353,120        | \$ 350,684        |
| Restricted net position          | 168,753           | 154,753           |
| Unrestricted net position        | <u>56,131</u>     | <u>54,498</u>     |
| <b>Net position</b>              | <u>\$ 578,004</u> | <u>\$ 559,935</u> |

**Governmental Activities**

Governmental activities increased the net position of the Fire District by \$18,069 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Depreciation expense of \$33,987.
- Results of Operations in the General Fund.
- Payment of a capital lease debt.



**Eastampton Township Fire District No. 1  
Statement of Changes in Net Position  
For the Year Ended December 31, 2019 and 2018**

|                           | <u>2019</u>       | <u>2018</u>       |
|---------------------------|-------------------|-------------------|
| Revenues:                 |                   |                   |
| General Revenues:         |                   |                   |
| Property Taxes            | \$ 292,700        | \$ 281,750        |
| State and Federal Aid     |                   |                   |
| Other Revenues            | <u>34,962</u>     | <u>8,503</u>      |
| Total Revenues            | <u>327,662</u>    | <u>290,253</u>    |
| Expenses:                 |                   |                   |
| Governmental Activities:  |                   |                   |
| Administration            | 62,585            | 77,619            |
| Cost of Operations        | 204,399           | 188,385           |
| Debt Service              | 8,622             | 7,485             |
| Unallocated               | <u>33,987</u>     | <u>10,042</u>     |
| Total Expenses            | <u>309,593</u>    | <u>283,531</u>    |
| Changes in net position   | 18,069            | 6,722             |
| Net position, January 1   | <u>559,935</u>    | <u>553,213</u>    |
| Net position, December 31 | <u>\$ 578,004</u> | <u>\$ 559,935</u> |

**Financial Analysis of the Governmental Funds**

As noted earlier, the Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* - The focus of the Fire District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Fire District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Fire District's governmental funds reported a combined ending fund balance of \$231,404, an increase of \$14,668 in comparison with the prior year. The increase is attributable to the results of operations in the General Fund.

The unreserved fund balance for the Fire District at the end of the fiscal year includes unreserved fund balance for the General Fund of \$62,651. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlays of \$106,753 and 2) \$62,000 appropriated as a revenue source in the subsequent year's budget.



### General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance of the general fund was \$62,651 while total fund balance was \$231,404. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Actual expenditures of the General Fund including other financing uses amounted to \$266,984. Unreserved fund balance (budgetary basis) represents 23.47% of expenditures while total fund balance represents 86.67% of that same amount.

### Capital Asset and Debt Administration

The Fire District's investment in capital assets for its governmental activities as of December 31, 2019, totaled \$599,142 (net of accumulated depreciation). This investment in capital assets includes vehicles and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$33,987, or a 5.37% decrease due to depreciation expense.

#### Capital Asset (net of accumulated depreciation) For the Year Ended December 31, 2019 and 2018

|                          |    | 2019    |    | 2018    |
|--------------------------|----|---------|----|---------|
| Construction in Progress | \$ | -       | \$ | 582,445 |
| Vehicles and Equipment   |    | 599,142 |    | 50,684  |
| Net assets               | \$ | 599,142 | \$ | 633,129 |

Additional information on the Fire District's capital assets can be found in the notes to the basic financial statements (Note 3) of this report.

*Long-Term debt* – During the fiscal year ended December 31, 2019, the Fire District had \$246,022 in capital lease payable.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$8,996,508. The available amount as of December 31, 2019 is \$8,996,508.

Additional information on the Fire District's debt obligations can be found in the notes to the basic financial statements (Note 4) of this report.

### Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the Fire District's budget for the 2020 calendar year.

- For the 2020 calendar year the Fire District local tax levy in the General Fund increased by \$4,184, resulting in slight change to the tax rate. The 2020 Budget increased by \$17,884 or a 5.1% decrease.



### **For the Future**

The Eastampton Township Fire District No. 1 is in good financial condition presently. However, a major concern is the continued growth of the Township and the ability to provide quality service at an affordable cost.

In conclusion, the Eastampton Township Fire District No. 1 has committed itself to financial excellence for many years. In addition, the Fire District's system for financial planning and budgeting are well regarded. The Fire District plans to continue its sound fiscal management to meet the challenges of the future.

### **Requests for Information**

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Eastampton Township Fire District No. 1 Board of Fire Commissioners, P.O. Box 748, Smithville Road, Mount Holly, New Jersey, 08075.



Basic Financial Statements



District-Wide Financial Statements



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Statement of Net Position**  
**December 31, 2019**

|                                  | <b>Governmental<br/>Activities</b> |
|----------------------------------|------------------------------------|
| <b>ASSETS:</b>                   |                                    |
| Cash and cash equivalents        | \$ 158,521                         |
| Accounts receivable              | 95,128                             |
| Capital assets, net (Note 3)     | 599,142                            |
| Total assets                     | 852,791                            |
| <b>LIABILITIES:</b>              |                                    |
| Accounts payable                 | 20,659                             |
| Payroll deductions payable       | 1,586                              |
| Accrued interest                 | 6,520                              |
| Noncurrent liabilities:          |                                    |
| Due within one year              | 37,660                             |
| Due beyond one year              | 208,362                            |
| Total liabilities                | 274,787                            |
| <b>NET POSITION:</b>             |                                    |
| Net investment in capital assets | 353,120                            |
| Restricted for:                  |                                    |
| Future capital outlays           | 106,753                            |
| Other purposes                   | 62,000                             |
| Unrestricted                     | 56,131                             |
| Total net position               | \$ 578,004                         |

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2019**

| Functions/Programs   | Expenses       | Indirect Expenses Allocation | Charges for Services | Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|--|----------------|------------------------------|----------------------|------------------------------------|---|
| Governmental activities:   |                |                              |                      |                                    |   |
| Administration:  |                |                              |                      |                                    |   |
| Salary and wages   | \$ 14,400      | \$ -                         | \$ -                 | \$ -                               | (14,400)  |
| Fringe benefits  | 1,103          |                              |                      |                                    | (1,103)   |
| Other expenses   | 47,082         |                              |                      |                                    | (47,082)  |
| Cost of Operations:  |                |                              |                      |                                    |   |
| Fire hydrant services  | 80,336         |                              |                      |                                    | (80,336)  |
| Building lease   | 43,600         |                              |                      |                                    | (43,600)  |
| Maintenance and repairs  | 19,750         |                              |                      |                                    | (19,750)  |
| Utilities  | 1,800          |                              |                      |                                    | (1,800)   |
| Training and education   | 2,090          |                              |                      |                                    | (2,090)   |
| Equipment  | 24,034         |                              |                      |                                    | (24,034)  |
| Other expenses   | 26,569         |                              |                      |                                    | (26,569)  |
| Uniform Fire Safety Act  | 6,220          |                              |                      |                                    | (6,220)   |
| Debt service:  |                |                              |                      |                                    |   |
| Interest and other charges   | 8,622          |                              |                      |                                    | (8,622)   |
| Unallocated  |                | 33,987                       |                      |                                    | (33,987)  |
| Total governmental activities  | <u>275,606</u> | <u>33,987</u>                | <u>-</u>             | <u>-</u>                           | <u>(309,593)</u>                                  |
| Total primary government   | <u>275,606</u> | <u>33,987</u>                | <u>-</u>             | <u>-</u>                           | <u>(309,593)</u>                                  |
| General Revenues:  |                |                              |                      |                                    |   |
| Taxes:   |                |                              |                      |                                    |   |
| District taxes, levied for general purposes, net                         |                |                              |                      |                                    | 246,690   |
| Taxes levied for debt service  |                |                              |                      |                                    | 46,010  |
| Uniform Fire Safety Act  |                |                              |                      |                                    | 5,454   |
| Investment Earnings  |                |                              |                      |                                    | 940   |
| Cancel Prior Year Accounts Payable                                       |                |                              |                      |                                    | 3,201   |
| Miscellaneous  |                |                              |                      |                                    | 25,367  |
| Total general revenues, special items, extraordinary items and transfers |                |                              |                      |                                    | <u>327,662</u>                                    |
| Change in Net Position   |                |                              |                      |                                    | 18,069  |
| Net Position - January 1   |                |                              |                      |                                    | 559,935   |
| Net Position - December 31   |                |                              |                      |                                    | <u>\$ 578,004</u>                                 |

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.



Fund Financial Statements



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

| <b>ASSETS</b>                                 | General<br>Fund   | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|---|-------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>Assets:</b>                                |                   |                            |                             |                         |                                |
| Cash and cash equivalents                     | \$ 158,521        | \$ -                       | \$ -                        | \$ -                    | \$ 158,521                     |
| Tax levy receivable                           | 95,128            |                            |                             |                         | 95,128                         |
| <b>Total assets</b>                           | <b>\$ 253,649</b> | <b>\$ -</b>                | <b>\$ -</b>                 | <b>\$ -</b>             | <b>\$ 253,649</b>              |
| <br><b>LIABILITIES AND FUND BALANCES</b>      |                   |                            |                             |                         |                                |
| <b>Liabilities:</b>                           |                   |                            |                             |                         |                                |
| Accounts payable                              | 20,659            |                            |                             |                         | 20,659                         |
| Payroll deductions payable                    | 1,586             |                            |                             |                         | 1,586                          |
| <b>Total liabilities</b>                      | <b>22,245</b>     |                            |                             |                         | <b>22,245</b>                  |
| <br><b>Fund Balances:</b>                     |                   |                            |                             |                         |                                |
| <b>Restricted Fund Balance:</b>               |                   |                            |                             |                         |                                |
| Reserved for future capital outlays           | 106,753           |                            |                             |                         | 106,753                        |
| <b>Assigned Fund Balance:</b>                 |                   |                            |                             |                         |                                |
| Designated for subsequent year's expenditures | 62,000            |                            |                             |                         | 62,000                         |
| Unassigned Fund Balance                       | 62,651            |                            |                             |                         | 62,651                         |
| <b>Total fund balances</b>                    | <b>231,404</b>    |                            |                             |                         | <b>231,404</b>                 |
| <b>Total liabilities and fund balances</b>    | <b>\$ 253,649</b> | <b>\$ -</b>                | <b>\$ -</b>                 | <b>\$ -</b>             |                                |

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

|  |                   |
|--|-------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,355,810 and the accumulated depreciation is \$756,668. | 599,142           |
| Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.   | (6,520)           |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.  |                   |
| Capital Leases Payable   | (246,022)         |
| <b>Net position of governmental activities</b>   | <b>\$ 578,004</b> |

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**for the Fiscal Year Ended December 31, 2019**

|  | General<br>Fund   | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--|-------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>REVENUES:</b>   |                   |                            |                             |                         |                                |
| Local sources:   |                   |                            |                             |                         |                                |
| Local Tax Levy   | \$ 246,690        | \$ -                       | \$ -                        | \$ 46,010               | \$ 292,700                     |
| Interest Earned  | 940               |                            |                             |                         | 940                            |
| Uniform Fire Safety Act  | 5,454             |                            |                             |                         | 5,454                          |
| Cancel Prior Year Accounts Payable                                   | 3,201             |                            |                             |                         | 3,201                          |
| Miscellaneous  | 25,367            |                            |                             |                         | 25,367                         |
| <b>Total revenues - local sources</b>                                | <b>281,652</b>    | <b>-</b>                   | <b>-</b>                    | <b>46,010</b>           | <b>327,662</b>                 |
| State sources  |                   |                            |                             |                         | -                              |
| <b>Total revenues</b>  | <b>281,652</b>    | <b>-</b>                   | <b>-</b>                    | <b>46,010</b>           | <b>327,662</b>                 |
| <b>EXPENDITURES:</b>   |                   |                            |                             |                         |                                |
| Current expense:   |                   |                            |                             |                         |                                |
| Administration:  |                   |                            |                             |                         |                                |
| Salary and wages   | 14,400            |                            |                             |                         | 14,400                         |
| Fringe benefits  | 1,103             |                            |                             |                         | 1,103                          |
| Other expenses   | 47,082            |                            |                             |                         | 47,082                         |
| Cost of Operations:  |                   |                            |                             |                         |                                |
| Fire hydrant services  | 80,336            |                            |                             |                         | 80,336                         |
| Building lease   | 43,600            |                            |                             |                         | 43,600                         |
| Maintenance and repairs  | 19,750            |                            |                             |                         | 19,750                         |
| Utilities  | 1,800             |                            |                             |                         | 1,800                          |
| Training and education   | 2,090             |                            |                             |                         | 2,090                          |
| Non-bondable equipment   | 24,034            |                            |                             |                         | 24,034                         |
| Other expenses   | 26,569            |                            |                             |                         | 26,569                         |
| Uniform Fire Safety Act  | 6,220             |                            |                             |                         | 6,220                          |
| Debt Service   |                   |                            |                             |                         |                                |
| Interest   |                   |                            |                             | 9,586                   | 9,586                          |
| Principal  |                   |                            |                             | 36,424                  | 36,424                         |
| <b>Total expenditures</b>  | <b>266,984</b>    | <b>-</b>                   | <b>-</b>                    | <b>46,010</b>           | <b>312,994</b>                 |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>14,668</b>     | <b>-</b>                   | <b>-</b>                    | <b>-</b>                | <b>14,668</b>                  |
| Other Financing Sources (Uses):                                      |                   |                            |                             |                         |                                |
| Proceeds of capital lease  | -                 |                            |                             |                         | -                              |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>          | <b>-</b>                   | <b>-</b>                    | <b>-</b>                | <b>-</b>                       |
| <b>Net change in fund balance</b>                                    | <b>14,668</b>     | <b>-</b>                   | <b>-</b>                    | <b>-</b>                | <b>14,668</b>                  |
| Fund balances, January 1   | 216,736           |                            |                             |                         | 216,736                        |
| <b>Fund balances, December 31</b>                                    | <b>\$ 231,404</b> | <b>\$ -</b>                | <b>\$ -</b>                 | <b>\$ -</b>             | <b>\$ 231,404</b>              |

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**for the Fiscal Year Ended December 31, 2019**

|  |             |          |
|--|-------------|----------|
| Total net change in fund balances - governmental funds (from B-2)  | \$          | 14,688   |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>  |             |          |
| <p>Capital outlays are reported in the governmental funds as expenditures. However, on 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 capital outlays exceeded depreciation in the current fiscal year.</p> |             |          |
| Depreciation expense   | \$ (33,987) |          |
| Capital outlay   | -           | (33,987) |
| <p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>   |             |          |
|  |             | 965      |
| <p>Repayment of capital lease principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.</p>  |             |          |
|  |             | 36,423   |
| <p>The proceeds of a capital lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.</p>   |             |          |
|  |             | -        |
| Change in net position of governmental activities  | \$          | 18,069   |

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Reporting Entity** - Eastampton Township Fire District No. 1 is located in Burlington County, New Jersey. It is a political subdivision of the Township of Eastampton and was formed through the adoption of a Township ordinance. As of the 2010 United States Census, the Township's population was 6,074. A Board of five commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire districts are governed by N.J.S.A. 40A:14-70 et al. and are organized as a taxing District charged with the responsibility of providing fire-fighting services to the residents within its territorial location. Eastampton Township Fire District No. 1 has one fire company within its jurisdiction.

**Component Units** - GASB Statement No. 14 and GASB No. 39, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that meet the criteria established by GASB statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. As of December 31, 2019, it has been determined by the District that no component units exist.

**Basis of Presentation** -The financial statements of the Fire District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The district's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Statements** - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. Eliminations have been made to minimize the double counting of internal activities. The Statement of Net Position presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Indirect expenses are not allocated to programs. Program revenues include charges paid by the recipients of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** - During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level reporting. 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. There are two categories of funds: governmental and fiduciary.

**Governmental Fund** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes 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.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Fund** - The following are the Fire District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Fire District and is used to account for all expendable financial resources except those required to be accounted for in another fund. The acquisition of certain capital assets, such as fire-fighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue sources, such as state or federal government grants and appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities such as fire houses. The financial resources are derived from temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for resources that will be used to service principal and interest payments on general long-term liabilities.

**Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Fire District are included on the statement of Net Position.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Basis of Accounting** - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues and Expenses** - Revenues are recorded when they are determined to be available and measurable. Generally, fees and other non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are recorded when the related liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Budgets/Budgetary Control** - The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et al.

The fire commissioners must introduce and approve the annual budget not later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Fire District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget. Amendments may be made to the Fire District budget in accordance with N.J.S.A. 40A:14-78.3. The budget may not be amended subsequent to its final adoption and approval, except for provisions allowed by N.J.S.A. 40A:14-78.3.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for the approval of the legal voters. If the voters reject the budget, the Township Council is required to review and determine the annual budget. Amounts reported under the final budget on Exhibits C-1 and I-3, include modifications to the adopted budget that were made during the year as approved by the Board of Commissioners.

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

Open encumbrances in the special revenue fund, for which the Fire District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amount as of the current fiscal year end.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash Equivalents and Investments (Continued)** - N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Fire District requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Inventories and Prepaid Expenses** - Inventories and prepaid expenses which benefit future periods, other than those recorded in the enterprise funds, are recorded as an expenditure during the year of purchase.

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Fire District and that are due within one year. These amounts are eliminated in the governmental column of the Statement of Net Position

**Capital Assets** - These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position 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. Donated fixed assets are valued at their estimated fair market value on the date received. The Fire District maintains a capitalization threshold of \$5,000. The Fire District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not. All reported capital assets except land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

| Asset Class             | Governmental<br>Activities<br>Estimated Lives |
|-------------------------|---|
| Buildings               | 30 years                                      |
| Building Improvements   | 20 years                                      |
| Machinery and Equipment | 5-20 years                                    |
| Vehicles                | 5-20 years                                    |

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts, and N.J.S.A. 40A:14-85 to 87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire districts may purchase fire-fighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mils on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or two percent (2%) of the assessed valuation of property, whichever is larger.

**Unearned Revenue** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Fire District is eligible to realize the revenue.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accrued Liabilities and Long-Term Obligations** - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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

**Net Investment in Capital Assets** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

**Restricted** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Fire District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

**Unrestricted** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the Fire District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

**Fund Balance** - The Fire District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Fire District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Fire District's classifications, and policies for determining such classifications, are as follows:

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Fire District's highest level of decision making authority, which for the Fire District is the Board of Fire Commissioners. Once committed, amounts cannot be used for any other purpose unless the Board of Fire Commissioners removes, or changes, the specified use by taking the same type of action imposing the commitment.

**Assigned** - This fund balance classification includes amounts that are constrained by the Fire District's *intent* to be used for specific purposes but are neither restricted nor committed. The Board of Fire Commissioners has the authority to assign amounts to be used for specific purposes.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)**

**Unassigned** – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Fire District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Fire District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Recently Issued Accounting Pronouncements** – In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. This Statement should have no impact on the Authority's financial statements.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements (Continued)** - In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the Districts' financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the Districts' financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the Fire District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fire District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Fire District's amount on deposit of \$150,638 as of December 31, 2019, \$150,638 was insured under FDIC and the remaining balance of \$-0- was collateralized under GUDPA.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**3. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended December 31, 2019, was as follows:

|   |                   |                   |                     |                   |
|---|-------------------|-------------------|---------------------|-------------------|
| <b>Governmental Activities:</b>                     |                   |                   |                     |                   |
| <i>Capital Assets, not being Depreciated:</i>       |                   |                   |                     |                   |
| Construction in Progress                            | \$ 582,445        |                   | \$ (582,445)        | \$ -              |
| <i>Capital Assets, being Depreciated:</i>           |                   |                   |                     |                   |
| Equipment   | 935,865           | 582,445           | (162,500)           | 1,355,810         |
| Total Historical Cost                               | <u>935,865</u>    | <u>582,445</u>    | <u>(162,500)</u>    | <u>1,355,810</u>  |
| <i>Less Accumulated Depreciation:</i>               |                   |                   |                     |                   |
| Equipment   | (885,181)         | (33,987)          | 162,500             | (756,668)         |
| Total Accumulated Depreciation                      | <u>(885,181)</u>  | <u>(33,987)</u>   | <u>162,500</u>      | <u>(756,668)</u>  |
| <br>Total Capital Assets, being<br>depreciated, net | <br>50,684        | <br>548,458       |                     | <br>599,142       |
| Governmental Activities Capital<br>Assets, Net      | <u>\$ 633,129</u> | <u>\$ 548,458</u> | <u>\$ (582,445)</u> | <u>\$ 599,142</u> |

Depreciation expense in the amount of \$33,987 was charged to governmental functions as follows:

| <u>Function</u> | <u>Amount</u>        |
|-----------------|----------------------|
| Unallocated     | \$ 33,987            |
| <br>Total       | <br><u>\$ 33,987</u> |

**4. LONG-TERM OBLIGATIONS**

During the fiscal year ended December 31, 2019, the following changes occurred in long-term obligations:

|                | <u>Principal<br/>Outstanding<br/>January 1, 2019</u> | <u>Additions</u> | <u>Reductions</u> | <u>Principal<br/>Outstanding<br/>December 31, 2019</u> | <u>Amounts Due<br/>Within<br/>One Year</u> |
|----------------|--|------------------|-------------------|--|--|
| Capital Leases | \$ 282,445   | \$ -             | 36,423            | \$ 246,022   | \$ 37,660                                  |
|                | <u>\$ 282,445</u>                                    | <u>\$ -</u>      | <u>\$ 36,423</u>  | <u>\$ 246,022</u>                                      | <u>\$ 37,660</u>                           |

**A. Capital Lease Payable** – The District is leasing a Pumper Fire Truck with an interest rate of 3.394% and a term of seven years. The following is a schedule of the future minimum lease payments under this capital lease and the present value of the minimum lease payments at December 31, 2019.



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**4. LONG-TERM OBLIGATIONS (Continued)**

| <u>Year Ending December 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|---------------------------------|-------------------|------------------|-------------------|
| 2020                            | 37,660            | 8,350            | 46,010            |
| 2021                            | 38,938            | 7,072            | 46,010            |
| 2022                            | 40,259            | 5,750            | 46,009            |
| 2023                            | 41,626            | 4,384            | 46,010            |
| 2024                            | 43,039            | 2,971            | 46,010            |
| 2025                            | 44,500            | 1,510            | 46,010            |
|                                 | <u>\$ 246,022</u> | <u>\$ 30,037</u> | <u>\$ 276,059</u> |

**5. RECEIVABLES**

There were no receivables as of year-end for the District's individual major and fiduciary funds.

**6. PENSION PLANS**

The District has no employees enrolled in the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP).

**7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance – The District maintains commercial insurance for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**8. PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Comparative Schedule of Tax Rates**

|          | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    |
|----------|----------------|----------------|----------------|----------------|----------------|
| Tax Rate | \$ <u>.066</u> | \$ <u>.066</u> | \$ <u>.065</u> | \$ <u>.066</u> | \$ <u>.066</u> |



**Eastampton Township Fire District No. 1**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2019**

**8. PROPERTY TAXES (Continued)**

Assessed Valuation

|      |                |                |                |
|------|----------------|----------------|----------------|
| 2019 | \$ 449,825,422 |                |                |
| 2018 |                | \$ 433,302,554 |                |
| 2017 |                |                | \$ 430,270,904 |
| 2016 |                |                | \$ 428,795,214 |
| 2015 |                |                | \$ 428,042,701 |

**9. FUND BALANCES**

The Fire District has classified its fund balances with the following hierarchy:

*Nonspendable* – The Fire District does not have any nonspendable funds.

*Spendable* – The Fire District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The Fire District currently has no funds classified as *Committed*.

*Restricted Items:*

**Reserve for Future Capital Outlays** – As of December 31, 2019, the balance in the reserve for future capital outlays is \$106,753.

*Assigned:*

**Designated for Subsequent Year’s Expenditures** – The Fire District has assigned a total of \$62,000 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2020 budget.

*Unassigned items* - Represents the remainder of the Fire District’s equity in governmental fund type balances. The balance at December 31, 2019 is \$62,651.

The following presents the assigned and unassigned fund balance as of the last five years and the amount utilized in the subsequent year’s budget.

| <u>Year</u> | <u>Balance</u><br><u>Dec. 31,</u> | <u>Utilized In</u><br><u>Budget Of</u><br><u>Succeeding Year</u> | <u>Percentage</u><br><u>Budget of</u><br><u>Succeeding Year</u> |
|-------------|-----------------------------------|--|---|
| 2019        | \$ 124,651                        | \$ 62,000  | 49.74%  |
| 2018        | 109,983                           | 48,000   | 43.64%  |
| 2017        | 99,754                            | 43,250   | 43.36%  |
| 2016        | 105,599                           | 43,250   | 40.96%  |
| 2015        | 115,764                           | 43,250   | 37.36%  |



Required Supplementary Information - Part II



Budgetary Comparison Schedules



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended December 31, 2019**

|                                    | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual         | Variance<br>Final to<br>Actual |
|------------------------------------|--------------------|---------------------|-----------------|----------------|--------------------------------|
| <b>REVENUES:</b>                   |                    |                     |                 |                |                                |
| Local sources:                     |                    |                     |                 |                |                                |
| Local Tax Levy                     | \$ 246,690         | \$ -                | \$ 246,690      | \$ 246,690     | \$ -                           |
| Interest on Investments            | 800                |                     | 800             | 940            | 140                            |
| Uniform Fire Safety Act            | 10,375             |                     | 10,375          | 5,454          | (4,921)                        |
| Cancel Prior Year Accounts Payable |                    |                     |                 | 3,201          | 3,201                          |
| Miscellaneous                      |                    |                     |                 | 25,367         | 25,367                         |
| Total local sources                | <u>257,865</u>     |                     | <u>257,865</u>  | <u>281,652</u> | <u>23,787</u>                  |
| <b>TOTAL REVENUES</b>              | <u>257,865</u>     |                     | <u>257,865</u>  | <u>281,652</u> | <u>23,787</u>                  |
| <b>EXPENDITURES:</b>               |                    |                     |                 |                |                                |
| <b>GENERAL EXPENSE:</b>            |                    |                     |                 |                |                                |
| Administration:                    |                    |                     |                 |                |                                |
| Salaries and Wages:                |                    |                     |                 |                |                                |
| Salaries and wages                 | 14,400             |                     | 14,400          | 14,400         |                                |
| Fringe benefits                    | 1,200              |                     | 1,200           | 1,103          | 97                             |
| Total Salaries and Wages           | <u>15,600</u>      |                     | <u>15,600</u>   | <u>15,503</u>  | <u>97</u>                      |
| Other Expenses:                    |                    |                     |                 |                |                                |
| Election                           | 750                |                     | 750             | 535            | 215                            |
| Insurance                          | 43,500             |                     | 43,500          | 38,014         | 5,486                          |
| Office expense                     | 840                |                     | 840             | 748            | 92                             |
| Professional services              | 19,000             |                     | 19,000          | 7,250          | 11,750                         |
| Advertising                        | 1,500              |                     | 1,500           | 536            | 964                            |
| Total Other Expense                | <u>65,590</u>      |                     | <u>65,590</u>   | <u>47,083</u>  | <u>18,507</u>                  |
| Total Administration               | <u>81,190</u>      |                     | <u>81,190</u>   | <u>62,585</u>  | <u>18,605</u>                  |

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended December 31, 2019**

| (Continued from prior page)   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget    | Actual            | Variance<br>Final to<br>Actual |
|---|--------------------|---------------------|--------------------|-------------------|--------------------------------|
| Cost of Operations:   |                    |                     |                    |                   |                                |
| Other Expenses:   |                    |                     |                    |                   |                                |
| Fire hydrant services   | \$ 86,400          | \$ -                | \$ 86,400          | \$ 80,336         | \$ 6,064                       |
| Building lease  | 43,600             |                     | 43,600             | 43,600            |                                |
| Maintenance & repairs   | 20,000             |                     | 20,000             | 19,750            | 250                            |
| Utilities   | 2,000              |                     | 2,000              | 1,800             | 200                            |
| Training and education  | 4,000              |                     | 4,000              | 2,090             | 1,910                          |
| Other:  |                    |                     |                    |                   |                                |
| Health and Fitness  | 5,000              |                     | 5,000              | 2,411             | 2,589                          |
| Incentive Program   | 10,000             |                     | 10,000             | 9,490             | 510                            |
| NFPA test   | 4,000              |                     | 4,000              | 3,126             | 874                            |
| Fire prevention bureau  | 3,100              |                     | 3,100              | 3,029             | 71                             |
| Motor vehicle fuel  | 4,000              |                     | 4,000              | 2,236             | 1,764                          |
| Meetings, dues & fees   | 700                |                     | 700                | 535               | 165                            |
| Expendables   | 3,000              |                     | 3,000              | 2,754             | 246                            |
| Uniforms - class b  | 3,000              |                     | 3,000              | 2,585             | 415                            |
| Office supplies   | 500                |                     | 500                | 403               | 97                             |
| Miscellaneous Small Equipment   | 20,000             |                     | 20,000             | 19,806            | 194                            |
| Purchase of non-bondable assets:  |                    |                     |                    |                   |                                |
| Equipment   | 5,000              |                     | 5,000              | 4,228             | 772                            |
| Total Other Expense   | <u>214,300</u>     |                     | <u>214,300</u>     | <u>198,179</u>    | <u>16,121</u>                  |
| Uniform Fire Safety Act:  |                    |                     |                    |                   |                                |
| Other Expenses  | <u>10,375</u>      |                     | <u>10,375</u>      | <u>6,220</u>      | <u>4,155</u>                   |
| Total Uniform Fire Safety   | <u>10,375</u>      |                     | <u>10,375</u>      | <u>6,220</u>      | <u>4,155</u>                   |
| Total Cost of Operations  | <u>224,675</u>     |                     | <u>224,675</u>     | <u>204,399</u>    | <u>20,276</u>                  |
| Total Expenditures  | <u>305,865</u>     |                     | <u>305,865</u>     | <u>266,984</u>    | <u>38,881</u>                  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures:   | <u>(48,000)</u>    |                     | <u>(48,000)</u>    | <u>14,668</u>     | <u>62,668</u>                  |
| Other Financing Sources:  |                    |                     |                    |                   |                                |
| Proceeds of capital lease   |                    |                     |                    |                   | -                              |
| Excess (Deficiency) of Revenues and Other<br>Financing Sources Over (Under) Expenditures<br>and Other Financing Sources (Uses): | <u>\$ (48,000)</u> | <u>\$ -</u>         | <u>\$ (48,000)</u> | <u>\$ 14,668</u>  | <u>\$ 62,668</u>               |
| Fund Balance, Jan 1   | <u>216,736</u>     |                     | <u>216,736</u>     | <u>216,736</u>    |                                |
| Fund Balance, Dec 31  | <u>\$ 168,736</u>  | <u>\$ -</u>         | <u>\$ 168,736</u>  | <u>\$ 231,404</u> | <u>\$ 62,668</u>               |
| Recapitulation of Fund Balance:   |                    |                     |                    |                   |                                |
| Restricted Fund Balance:  |                    |                     |                    |                   |                                |
| Reserve for Future Capital Outlays  |                    |                     |                    | \$ 106,753        |                                |
| Assigned Fund Balance:  |                    |                     |                    |                   |                                |
| Designated for Subsequent Year's Expenditures   |                    |                     |                    | 62,000            |                                |
| Unassigned Fund Balance   |                    |                     |                    | <u>62,651</u>     |                                |
| Fund Balance per Governmental Funds (GAAP)  |                    |                     |                    | <u>\$ 231,404</u> |                                |

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**  
**Revenues and Expenditures**

|  | <b>General<br/>Fund</b> |
|--|-------------------------|
| <b>Sources/inflows of resources</b>  |                         |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules   | \$ 281,652              |
| Difference - budget to GAAP:   |                         |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.   | -                       |
| <br>   |                         |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.  | \$ <u>281,652</u>       |
| <br>   |                         |
| <b>Uses/outflows of resources</b>  |                         |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule   | \$ 266,984              |
| Differences - budget to GAAP   |                         |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | -                       |
| <br>   |                         |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds   | \$ <u>266,984</u>       |



Other Supplementary Information



Long-Term Debt Schedules



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**General Long-Term Debt Account Group**  
 Statement of Obligations Under Capital Leases  
 December 31, 2019

| Series            | Interest<br>Rate<br>Payable | Amount of<br>Original<br>Issue | Amount<br>Outstanding<br>Jan. 1, 2019 | Issued<br>Current<br>Year | Retired<br>Current<br>Year | Amount<br>Outstanding<br>Dec. 31, 2019 |
|-------------------|-----------------------------|--------------------------------|---------------------------------------|---------------------------|----------------------------|--|
| Pumper Fire Truck | 3.394%                      | \$ 282,445                     | \$ 282,445                            | -                         | \$ 36,424                  | \$ 246,022                             |
|                   |                             |                                | <u>\$ 282,445</u>                     | <u>-</u>                  | <u>\$ 36,424</u>           | <u>\$ 246,022</u>                      |



**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended December 31, 2019**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual        | Variance<br>Final to<br>Actual |
|--|--------------------|---------------------|-----------------|---------------|--------------------------------|
| <b>REVENUES:</b>   |                    |                     |                 |               |                                |
| Local sources:   |                    |                     |                 |               |                                |
| Local tax levy   | \$ 46,010          | \$ -                | \$ 46,010       | \$ 46,010     | \$ -                           |
| Total revenues - local sources                               | <u>46,010</u>      | <u>-</u>            | <u>46,010</u>   | <u>46,010</u> | <u>-</u>                       |
| Total Revenues   | <u>46,010</u>      | <u>-</u>            | <u>46,010</u>   | <u>46,010</u> | <u>-</u>                       |
| <b>EXPENDITURES:</b>   |                    |                     |                 |               |                                |
| Regular debt service:  |                    |                     |                 |               |                                |
| Interest   | 9,586              |                     | 9,586           | 9,586         | -                              |
| Redemption of principal                                      | <u>36,424</u>      |                     | <u>36,424</u>   | <u>36,424</u> | <u>-</u>                       |
| Total Expenditures   | <u>46,010</u>      | <u>-</u>            | <u>46,010</u>   | <u>46,010</u> | <u>-</u>                       |
| Excess (Deficiency) of revenues over<br>(under) expenditures | -                  | -                   | -               | -             | -                              |
| Fund Balances, January 1                                     | <u>-</u>           |                     | <u>-</u>        | <u>-</u>      | <u>-</u>                       |
| Fund Balances, December 31                                   | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ -</u>                    |



General Comments and Recommendations



**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with the requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND OTHER RECOMMENDATIONS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

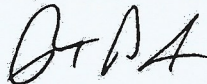
There were no prior year recommendations.

**APPRECIATION**

I express my appreciation for the assistance and courtesies extended to the audit team by the Fire District Commissioners during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC



Robert P. Inverso  
Certified Public Accountant  
Registered Municipal Accountant

June 30, 2020