

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
WITH
INDEPENDENT AUDITOR'S REPORT**

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

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

**Board of Fire Commissioners
Township of Wall, District No. 1**

Report on the Financial Statements

We have audited the accompanying financial statements of the Board of Fire Commissioners, Township of Wall, District No.1, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, Issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MOHEL ELLIOTT BAUER & GASS

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

CERTIFIED PUBLIC ACCOUNTANTS

Board of Fire Commissioners Township of Wall, District No. 1

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Fire Commissioners, Township of Wall, District No. 1, as of December 31, 2012, and the changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 5 and 14 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 4, 2013, on our consideration of the Board of Fire Commissioners, Township of Wall, District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Board of Fire Commissioners, Township of Wall, District No. 1's internal control over financial reporting and compliance.

Lakewood, New Jersey
April 4, 2013

Mohe Elliott Bauer & Gass

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Our discussion and analysis of District No. 1 Township of Wall financial performance provides an overview of the District's financial activities for the year ended December 31, 2012. Please review it in conjunction with the Districts' basic financial statements which begin on Page 6.

Financial Highlights

- Total net assets decreased \$7,465 which represents a 1.72 percent decrease from 2011. \$22,865 was the deficiency of revenues over expenditures in the general fund, \$30,000 was the increase in net assets restricted for capital projects and \$14,600 was the decrease in invested in capital assets.
- The amount raised by taxation was \$362,095 or 99.39 percent of all revenues. Interest, and other income amounted to \$2,233 or 0.61 percent of all revenues.
- Total program expenses have increased \$34,919 or 10.37 percent.

USING THIS ANNUAL REPORT

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

Reporting the District as a Whole

The Statements of Net Assets and the Statements of Activities

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

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

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

The District as a Whole

The District's total net assets decreased \$7,465 to \$425,991 or 1.72 percent. Details of the changes are reflected on page 7.

Original Versus Final Budget

Page 14 reflects the variances between the original and final budgeted amounts.

Final Budget Versus Actual Results

As reflected on page 14, the District operated within budgetary constraints. Actual expenses were under the final budget by \$6,902.

Capital Assets

At year end, the District had \$1,568,421 in total capital assets, an increase of \$5,832. The acquisitions for 2012 was a 5kw generator, \$5,832.

Debt Administration

The Board has entered into a lease with option to purchase agreement dated as of November 9, 2004 for a tower ladder fire truck with Sun Trust Equipment Finance and Leasing Corporation. The lease is payable over ten years in the amount of \$63,127 per annum. Final payment on the lease is due November 8, 2014. For additional information please refer to page 13, capital lease obligation payable.

The Board has entered into a lease with option to purchase agreement dated August 23, 2006 for a pumper fire truck with Sun Trust Equipment Finance and Leasing Corporation. The lease is payable over ten years in the amount of \$50,082 per annum. For additional information please refer to page 13, capital lease obligation payable.

Economic Factors and Next Year's Budget and Rates

The District's governing body considered many factors when setting the 2013 budget and tax rates including Super Storm Sandy, the economy, the rate of inflation, debt service and planned future capital projects. The tax rate will increase .001 for 2013. The new rate will be .079 per \$100 of assessed valuation. The amount to be raised by taxation will increase \$9,905 to \$372,000.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Clerk at P.O. Box 53, Belmar, NJ 07719.

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

**STATEMENTS OF NET ASSETS
December 31, 2012**

| | <u>2012</u> |
|--|-------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 172,688 |
| Investments - certificates of deposit | 182,789 |
| Prepaid insurance | 1,046 |
| Capital assets, net | <u>409,781</u> |
| Total assets | <u>766,304</u> |
| | |
| LIABILITIES | |
| Accounts payable and accrued expenses | 41,691 |
| Capital lease obligation payable | <u>298,622</u> |
| Total liabilities | <u>340,313</u> |
| | |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 111,159 |
| Restricted for capital projects | 159,186 |
| Unrestricted | <u>155,646</u> |
| Total net assets | <u>\$ 425,991</u> |

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

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

**STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

| | 2012 |
|---|-------------------|
| Expenses: | |
| Personnel services | \$ 30,150 |
| Material and services | 172,719 |
| Debt service - interest | 17,027 |
| Capital outlays | 35,283 |
| Depreciation and amortization | 116,614 |
| Total program expenses | 371,793 |
| Program revenues: | |
| Charges for services | - |
| Net program expenses | 371,793 |
| General revenues: | |
| Amount raised by taxation | 362,095 |
| Interest income | 1,833 |
| Other income | 400 |
| Total general revenues | 364,328 |
| Increase (decrease) in net assets | (7,465) |
| Net assets - beginning of year | 433,456 |
| Net assets - end of year | \$ 425,991 |

The accompanying notes are an integral
part of these financial statements

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL

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

YEAR ENDED DECEMBER 31, 2012

| | <u>General Fund</u> | <u>Restricted for Capital Projects</u> | <u>Invested in Capital Assets</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|-------------------------|--|---------------------------------------|-------------------|--------------------|--|
| Revenues: | | | | | | |
| Amount raised by taxation | \$ 332,095 | \$ 30,000 | \$ - | \$ 362,095 | \$ - | \$ 362,095 |
| Interest income | 1,833 | | | 1,833 | | 1,833 |
| Other income | 400 | | | 400 | | 400 |
| Total revenues | <u>334,328</u> | <u>30,000</u> | <u>-</u> | <u>364,328</u> | | <u>364,328</u> |
| Expenditures: | | | | | | |
| Personnel services | 30,150 | | | 30,150 | | 30,150 |
| Materials and services | 172,719 | | | 172,719 | | 172,719 |
| Debt service | 113,209 | | (96,182) | 17,027 | | 17,027 |
| Capital Outlays | 41,115 | | (5,832) | 35,283 | | 35,283 |
| Depreciation and amortization | | | 116,614 | 116,614 | | 116,614 |
| Total expenditures | <u>357,193</u> | <u>-</u> | <u>14,600</u> | <u>371,793</u> | | <u>371,793</u> |
| Excess (deficiency) of revenues over expenditures | (22,865) | 30,000 | (14,600) | (7,465) | 7,465 | - |
| Change in net assets | | | | - | (7,465) | (7,465) |
| Fund balance/net assets | | | | | | |
| Beginning of year | <u>178,511</u> | <u>129,186</u> | <u>125,759</u> | <u>433,456</u> | <u>-</u> | <u>433,456</u> |
| End of year | <u>\$ 155,646</u> | <u>\$ 159,186</u> | <u>\$ 111,159</u> | <u>\$ 425,991</u> | <u>\$ -</u> | <u>\$ 425,991</u> |

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

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

**STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012**

| | 2012 |
|--|-------------------|
| Cash flows from operating activities: | |
| Cash received from operations | \$ 362,095 |
| Cash paid to suppliers and employees | (242,237) |
| Interest income received | 1,833 |
| Other income | 400 |
| | <u>122,091</u> |
| Net cash provided by operating activities | <u>122,091</u> |
| Cash flow from investing activities: | |
| Capital expenditures | (5,832) |
| Increase in investments | (42,407) |
| | <u>(48,239)</u> |
| Net cash provided (used) by investing activities | <u>(48,239)</u> |
| Cash flow from financing activities: | |
| Principal payments - capital lease | (96,182) |
| | <u>(96,182)</u> |
| Net cash provided (used) in financing activities | <u>(96,182)</u> |
| Net increase (decrease) in cash and cash equivalents | (22,330) |
| Cash and cash equivalents at beginning of year | <u>195,018</u> |
| Cash and cash equivalents at end of year | <u>\$ 172,688</u> |
| Reconciliation of change in net assets to net cash provided (used) by operating activities: | |
| Change in net assets | \$ (7,465) |
| Adjustments to reconcile change in net assets to cash provided by operating activities | |
| Depreciation and amortization | 116,614 |
| Change in assets and liabilities: | |
| (Increase) decrease in: | |
| Prepaid expenses | 7,009 |
| | 3,312 |
| Increase (decrease) in: | |
| Accounts payable and accrued expenses | 2,621 |
| | <u>129,556</u> |
| Total adjustments | <u>129,556</u> |
| Net cash provided by operating activities | <u>\$ 122,091</u> |

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The District reports the following major governmental funds:

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

Restricted for Capital Projects - Restricted for Capital Projects is used to account for funds restricted for capital projects.

Invested in Capital Assets, Net of Related Debt - Invested in capital assets, net of related debt represents the District's capital assets less accumulated depreciation, net of related debt.

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

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**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Related Party Transactions - The Board leases facilities from Wall Fire Company No. 1. The lease is for the term of one year and is automatically renewable from year to year unless either party notifies the other by written notice at least 60 days prior to the expiration of the term that the lease will not be renewed. Rental is paid monthly in the amount of \$2,150.00.

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

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

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

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

Subsequent Events - The District has evaluated subsequent events through April 4, 2013, the date the financial statements were available to be issued.

(Continued)

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
 (Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

CAPITAL ASSETS

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

| | 2012 | Estimated Useful Life (Years) |
|--------------------------------|-------------|--|
| Assets | | |
| Vehicles | 124,019 | 5 - 7 |
| Apparatus | 1,365,823 | 10 |
| Leasehold improvements | 33,595 | 15 |
| Equipment | 44,984 | 5 - 7 |
| | 1,568,421 | |
| Less: accumulated depreciation | (1,158,640) | |
| | \$ 409,781 | |

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

| | 2012 |
|--------------------|-------------|
| Accounts payable | \$ 17,041 |
| Accrued L.O.S.A.P. | 24,650 |
| | \$ 41,691 |

(Continued)

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

CAPITAL LEASE OBLIGATION PAYABLE

The Board has entered into leases with options to purchase agreements for a tower ladder fire truck and a pumper fire truck. The leases are dated as of November 9, 2004 and August 23, 2006 in the amounts of \$509,729 and \$396,480 payable in annual installments of \$63,127 and \$50,082, respectively. The note bears interest at the rates of 4.09% and 4.49%, respectively.

The following is a schedule of future lease payments under the lease together with the present value of the lease payments as of December 31, 2012:

| <u>Due Date</u> | <u>Tower Ladder</u> | <u>Pumper</u> | <u>Total</u> |
|--|-------------------------|-------------------|-------------------|
| 2013 | \$ 63,127 | \$ 50,082 | \$ 113,209 |
| 2014 | 63,127 | 50,082 | 113,209 |
| 2015 | | 50,082 | 50,082 |
| 2016 | | 50,082 | 50,082 |
| Total lease payments | 126,254 | 200,328 | 326,582 |
| Less: amount representing interest | <u>(7,344)</u> | <u>(20,616)</u> | <u>(27,960)</u> |
| Present value of lease payments | <u>\$ 118,910</u> | <u>\$ 179,712</u> | <u>\$ 298,622</u> |

FAIR VALUE MEASUREMENTS

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

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

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

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

(Continued)

SUPPLEMENTARY INFORMATION

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

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012**

| | <u>Budgeted Amounts</u> | | <u>Actual Budgetary Basis</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Positive(Negative)</u> |
| Revenues | | | | |
| Amount raised by taxation | \$ 362,095 | \$ 362,095 | \$ 362,095 | \$ - |
| Interest income | 2,000 | 2,000 | 1,833 | (167) |
| Miscellaneous revenue | | | 400 | 400 |
| Fund balance utilized | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| Total revenues | <u>394,095</u> | <u>394,095</u> | <u>394,328</u> | <u>233</u> |
| Expenditures | | | | |
| Employee benefits - workers compensation insurance, sickness and accident | | | | - |
| Purchase of assets not included as capital outlays | 69,686 | 41,586 | 41,115 | 471 |
| Rent | 24,000 | 25,500 | 25,200 | 300 |
| Insurance | 33,000 | 41,968 | 41,868 | 100 |
| Professional services | 9,775 | 30,975 | 30,933 | 42 |
| Advertising | 275 | 775 | 719 | 56 |
| Truck fuel | 10,000 | 8,100 | 8,018 | 82 |
| Elections | 1,200 | 1,200 | 704 | 496 |
| Certification and testing | 13,000 | 6,100 | 6,051 | 49 |
| Training and education | 2,500 | 832 | 750 | 82 |
| Operating materials and supplies | 500 | 900 | 883 | 17 |
| Utilities | 16,000 | 16,000 | 14,187 | 1,813 |
| Radio repair | 3,000 | - | | - |
| Building repair | 10,000 | 6,000 | 5,978 | 22 |
| Maintenance and repairs | 25,000 | 33,500 | 33,224 | 276 |
| Medical services | 500 | 500 | | 500 |
| Commissioners salaries | 4,750 | 4,750 | 4,750 | - |
| Administration - office expenses | | 4,500 | 4,257 | 243 |
| Miscellaneous | 700 | 700 | 697 | 3 |
| Capital appropriations | 30,000 | 30,000 | 30,000 | - |
| Debt service appropriations | 113,209 | 113,209 | 113,209 | - |
| LOSAP | <u>27,000</u> | <u>27,000</u> | <u>24,650</u> | <u>2,350</u> |
| Total expenditures | <u>394,095</u> | <u>394,095</u> | <u>387,193</u> | <u>6,902</u> |
| Excess of revenues over expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,135</u> | <u>\$ 7,135</u> |

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

STATISTICAL INFORMATION

PROPERTY TAX LEVIES:

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding three years:

| <u>Calendar Year</u> | <u>Valuations (Unaudited)</u> | <u>Assessed Total Tax Levy</u> | <u>Property Tax Rates</u> |
|--------------------------|-----------------------------------|--|-------------------------------|
| 12/31/2012 | \$ 469,044,900 | \$ 362,095 | 0.078 |
| 12/31/2011 | \$ 466,170,300 | \$ 383,689 | 0.083 |
| 12/31/2010 | \$ 465,040,900 | \$ 333,751 | 0.072 |
| 12/31/2009 | \$ 469,549,500 | \$ 311,730 | 0.067 |

UNRESERVED FUND BALANCE:

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

| <u>Calendar Year Ended</u> | <u>End of Calendar Year</u> | <u>Utilization in Subsequent Budget</u> |
|------------------------------------|-------------------------------------|---|
| 12/31/2012 | \$ 155,646 | \$ 30,000.00 |
| 12/31/2011 | \$ 178,511 | \$ 30,000.00 |
| 12/31/2010 | \$ 153,003 | \$ 4,417.00 |
| 12/31/2009 | \$ 157,420 | \$ - |

BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
TOWNSHIP OF WALL

ROSTER OF OFFICIALS

| <u>Name</u> | <u>Amount of Dishonesty Bond</u> |
|------------------------------------|----------------------------------|
| <u>Board of Commissioners</u> | |
| William Davenport, President | \$ 50,000 |
| Robert Hendrickson, Vice President | \$ 50,000 |
| Norman Stelling, Secretary | \$ 50,000 |
| Edward Miles, Treasurer | \$ 50,000 |
| Jeffrey Kniffin, Commissioner | \$ 50,000 |

Surety Name
American Alternative Insurance Company

**Board of Fire Commissioners
Township of Wall, District No. 1**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Board of Fire Commissioners, Township of Wall, District No. 1, as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Board of Fire Commissioners, Township of Wall, District No. 1's basic financial statements, and have issued our report thereon dated April 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Fire Commissioners, Township of Wall, 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Fire Commissioners, Township of Wall, District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Fire Commissioners, Township of Wall, District No. 1's internal control.

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

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MOHEL ELLIOTT BAUER & GASS

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

CERTIFIED PUBLIC ACCOUNTANTS

Board of Fire Commissioners Township of Wall, District No. 1

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Fire Commissioners, Township of Wall, District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lakewood, New Jersey
April 4, 2013

MoHEL Elliott Bauer & Gass