

**FIRE DISTRICT NUMBER ONE
TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

DECEMBER 31, 2014

ABERDEEN FIRE DISTRICT NUMBER ONE
 TABLE OF CONTENTS
 YEAR ENDED DECEMBER 31, 2014

		<u>Page Number</u>
	INDEPENDENT AUDITOR'S REPORTS	1-2
<u>Exhibit</u>	<u>GENERAL FUND</u>	
A	Comparative Balance Sheets	3
A-1	Statements of Revenue, Expenditures and Changes in Net Position	4
A-2	Statements of Expenditures Compared to Budget	5
A-3	Statements of Receipts, Disbursements and Changes in Cash	6
A-4	Statement of Cash Reconciliation	7
A-5	Statement of Due From (To) Capital Fund	8
	<u>CAPITAL FUND</u>	
A-6	Comparative Balance Sheets	9
A-7	General Fixed Assets Account Group Comparative Balances	10
	Notes to Financial Statements	11
	Statistical Information	12
	Roster of Officials	13
	Subsequent Events	14
	Management's Discussion and Analysis	15

**JOSEPH CRITELLI
CERTIFIED PUBLIC ACCOUNTANT
242 PELICAN ROAD
MIDDLETOWN, N.J. 07748**

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Aberdeen Fire District Number One
Township of Aberdeen
County of Monmouth
State of New Jersey

I have audited the accompanying statements of net position available of the Aberdeen Fire District Number One as of December 31, 2014 and 2013, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, the accompanying supporting schedules and the related notes to 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.

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards as promulgated by the A.I.C.P.A. and generally accepted in the United States of America and the standards applicable to financial audits contained in Government Accounting Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurances 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, 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 opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aberdeen Fire District Number One as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles, as promulgated by the Government Accounting Standards Board and has complied with applicable laws that may have a material effect of the financial statements

My audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the supplementary schedule, is presented for the purposes of additional analysis and is not a required part of the financial statements, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to test and other auditing procedures applied in the examination of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Generally Accepted Government Auditing Standards, I have also issued my report dated February 10, 2015, on my consideration of the Fire District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Fire District's internal control over financial reporting and compliance.


JOSEPH CRITELLI, C.P.A.

February 10, 2015

**Joseph Critelli
Certified Public Accountant
242 Pelican Road
Middletown, N.J. 07748**

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With Government Auditing Standards.

**Board of Fire Commissioners
Aberdeen Fire District Number One
Township of Aberdeen
County of Monmouth
State of New Jersey**

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Fire District, as of and for the year ended December 31, 2014 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 February 10, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fire District'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 Fire District's internal control.

A deficiency in internal control exists when the design of 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, misstatement 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 statement 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 as was not designed to identify all deficiencies in internal control that might be material weakness 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 Fire District'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 or my audit, and I do not express such an opinion. The results of my test disclosed no instances of non compliance 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.



Joseph Critelli, C.P.A.

February 10, 2015

BOARD OF FIRE COMMISSIONERS
 FIRE DISTRICT NUMBER ONE
 TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

Exhibit A

GENERAL FUND
 COMPARATIVE BALANCE SHEETS
 DECEMBER 31, 2014 AND 2013

ASSETS	Ref.	2014	2013
Cash	A-3 & 4	\$ 569,178.80	\$ 479,196.93
Net Fixed Assets	A-7	<u>1,186,389.82</u>	<u>1,266,964.78</u>
Total Assets		<u>\$ 1,755,568.62</u>	<u>\$ 1,746,161.71</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts Payable		\$ 28,003.83	\$ 28,705.62
Reserve for Severance Pay		-	30,000.00
Payable to General Fund		<u>29,861.94</u>	<u>39,686.08</u>
Total Liabilities		<u>57,865.77</u>	<u>98,391.70</u>
Total Net Position	A-1	<u>1,697,702.85</u>	<u>1,647,770.01</u>
Total Liabilities and Net Position		<u>\$ 1,755,568.62</u>	<u>\$ 1,746,161.71</u>

General Fund
Statement of Revenues, Expenditures, and Changes in Net Position
Year Ended December 31, 2014
With Comparative Actual Amounts For Year Ended December 31, 2013

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Revenues and Other Sources:			
Smoke Alarm Inspections	\$ 33,000.00	\$ 24,502.00	\$ 23,486.00
Interest Income	500.00	167.15	507.80
Uniform Fire Safety Act:			
Registration Fees	10,000.00	12,792.65	15,716.75
Supplemental Fire Services Program	3,300.00	3,328.50	3,328.50
Sale of Vehicle	-	3,358.62	2,229.00
Insurance and FEMA Reimbursement	-	20,540.00	10,288.25
Miscellaneous	-	1,734.42	2,999.94
Non-Life Hazard Uses	-	6,625.00	6,435.00
Total Revenues	<u>46,800.00</u>	<u>73,048.34</u>	<u>64,991.24</u>
Other Financing Sources:			
Fund Balance Appropriated	-	-	-
District Taxes	<u>582,312.00</u>	<u>582,312.00</u>	<u>575,682.50</u>
Total Other Financing Sources	582,312.00	582,312.00	575,682.50
Total Revenues and Other Financing Sources	<u>629,112.00</u>	<u>655,360.34</u>	<u>640,673.74</u>
Expenditures:			
Operating Appropriations:			
Administration	288,164.00	262,394.17	238,404.14
Operating and Maintenance	300,948.00	259,050.17	266,023.09
Total Operating Appropriations	<u>589,112.00</u>	<u>521,444.34</u>	<u>504,427.23</u>
Capital Appropriations:			
Vehicle	40,000.00	33,408.20	-
Total Capital Appropriations	<u>40,000.00</u>	<u>33,408.20</u>	<u>-</u>
Total Expenditures	<u>629,112.00</u>	<u>554,852.54</u>	<u>504,427.23</u>
Revenues and Other Financing Sources Over Expenditures	-	100,507.80	136,246.51
Net Position at Beginning of Year	1,647,770.01	1,647,770.01	1,236,549.28
Capital Fund	-	-	370,000.00
Reverse Reserve for Severance Pay	-	30,000.00	-
Purchase of Rescue Vehicle	-	-	(624,662.21)
Net Increase (Decrease) in Net Fixed Assets	<u>-</u>	<u>(80,574.96)</u>	<u>529,636.43</u>
Net Position at End of Year	<u>\$ 1,647,770.01</u>	<u>\$ 1,697,702.85</u>	<u>\$ 1,647,770.01</u>

GENERAL FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2013

	2014 Budget	2014 Paid or Charged	2013 Actual
Operating Appropriations:			
Administration:			
District Chief	\$ 14,990.00	\$ 14,990.04	\$ 14,990.00
Secretary to the District Chief	33,700.00	33,700.08	25,200.00
Attorney	0.00	0.00	0.00
Fire Commissioners	20,250.00	20,250.00	20,250.00
Fire Commissioner - Secretary	6,750.00	6,750.00	6,750.00
Fire Commissioner - Treasurer	6,750.00	6,750.00	6,750.00
Janitor	7,359.00	7,359.04	7,214.00
Social Security & Medicare	20,000.00	16,379.62	13,009.19
Unemployment Compensation Insurance	1,800.00	1,216.82	1,089.63
Workman's Compensation Insurance	42,000.00	27,296.98	41,541.57
Longevity	1,450.00	1,500.00	1,350.00
Pension	10,725.00	7,825.00	7,955.46
Professional Services	23,000.00	16,429.58	15,641.52
Office Expenses	3,500.00	4,237.13	3,507.15
Advertising	1,500.00	661.10	472.00
Elections	1,500.00	1,090.25	1,053.50
Utilities and Related Services	36,000.00	37,722.14	21,201.47
Dues and Subscriptions	1,800.00	2,095.50	1,653.00
Meetings and Conventions	6,000.00	2,396.00	4,630.02
Maintenance and Repairs	3,000.00	1,055.68	1,816.11
Medical Insurance	46,090.00	52,689.21	42,329.52
Total Administration	288,164.00	262,394.17	238,404.14
Operating and Maintenance:			
Fire Inspector	40,646.00	40,645.28	39,848.38
Fire Official	57,165.00	57,165.02	55,848.00
Uniforms and Personal Equipment	35,000.00	34,145.00	31,875.00
Insurance Premiums	52,000.00	45,693.03	48,414.39
Training and Education	2,000.00	500.00	147.00
Maintenance and Repairs	50,000.00	32,287.82	41,504.51
Operating Materials and Supplies	5,000.00	1,693.08	908.90
Assistance to Fire Co.	2,000.00	2,000.00	2,000.00
Fire Prevention	3,000.00	1,243.50	2,879.50
Firematic Equipment and Supplies	6,000.00	5,985.00	25.00
Uniform Fire Safety Act	10,000.00	10,000.00	10,000.00
Joint District Fire Training Grounds	5,000.00	5,000.00	5,000.00
Fire and Arson Investigation	2,137.00	70.65	1,245.45
Supplemental Fire Services Program	6,000.00	0.00	2,326.96
Firefighters Protective Equip.	25,000.00	22,621.79	24,000.00
Total Operating & Maintenance	300,948.00	259,050.17	266,023.09
Total Operating Appropriations	589,112.00	521,444.34	504,427.23
Capital Appropriations:			
Capital Outlay:			
Purchase of Vehicle	40,000.00	33,408.20	-
Total Capital Outlay	40,000.00	33,408.20	0.00
Total Appropriations	\$ 629,112.00	\$ 554,852.54	\$ 504,427.23

BOARD OF FIRE COMMISSIONER
 FIRE DISTRICT NUMBER ONE
 TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

Exhibit A-3

STATEMENT OF RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH
 YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>		
Receipts:			
District Taxes		\$ 582,312.00	
Interest Income		167.15	
Smoke Alarm Inspections	A-1	24,502.00	
Miscellaneous	A-1	1,734.42	
Supplemental Fire Services Program	A-1	3,328.50	
Uniform Fire Safety Act	A-1	12,792.65	
Non-Life Hazard Uses		6,625.00	
Sale of Vehicle		3,358.62	
Insurance Refunds	A-1	<u>20,540.00</u>	
			\$ 655,360.34
Disbursements:			
Payroll Acct. - Net Activity		5,378.00	
Accounts Payable	A	28,705.62	
Operating Appropriations		497,886.65	
Fixed Asset		<u>33,408.20</u>	
			<u>565,378.47</u>
Increase (Decrease) in Cash			89,981.87
Cash at Beginning of Year			<u>479,196.93</u>
Cash at End of Year			<u><u>\$ 569,178.80</u></u>

BOARD OF FIRE COMMISSIONERS
FIRE DISTRICT NUMBER ONE
TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

Exhibit A-4

STATEMENT OF CASH RECONCILIATION
DECEMBER 31, 2014

	<u>General Fund</u>
Balance on Deposit per Bank Statements:	
Bank of America	
#211646555 - Checking	\$ 26,139.40
#216940903 - Money Market	519,486.92
#211646563 - Payroll Checking	24,107.48
	<hr/>
	569,733.80
Less: Outstanding Checks	<u>555.00</u>
Balance, December 31, 2014	<u><u>\$ 569,178.80</u></u>

BOARD OF FIRE COMMISSIONERS
FIRE DISTRICT NUMBER ONE
TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

Exhibit A-5

STATEMENT OF
DUE FROM (TO) CAPITAL FUND

	<u>Ref.</u>		
Balance, December 31, 2013	A	\$	0.00
Activity for year:			
2014 Expended			<u>0.00</u>
Balance, December 31, 2014	A	\$	<u>0.00</u>

CAPITAL FUND
 COMPARATIVE BALANCE SHEETS
 DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Assets:			
Due from Current Fund	A-5	\$ 0.00	0.00
Total Assets		<u>\$ 0.00</u>	<u>0.00</u>
Liabilities and Fund Balance:			
Capital Improvement Fund	A-5	\$ 0.00	0.00
Total Liabilities and Fund Balance		<u>\$ 0.00</u>	<u>0.00</u>

GENERAL FIXED ASSETS ACCOUNT GROUP
 COMPARATIVE BALANCES
 DECEMBER 31, 2014 AND 2013

Assets	2014			2013
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building and Additions	\$ 823,621.42	\$ 626,265.42	\$ 197,356.00	\$ 206,282.06
1997 Saulsbury Pumper #495	463,204.23	393,723.57	69,480.66	92,640.87
2004 Crimson Pumper #500	408,288.00	204,144.00	204,144.00	224,558.40
Computer Equipment	7,646.00	7,646.00	-	-
1994 Saulsbury D-500 Pumper #497	365,000.00	365,000.00	-	-
2002 Spartan-Luverne Mini-Pumper #498	248,673.21	161,637.58	87,035.63	99,469.29
2009 Ford Explorer #499	38,218.50	38,218.50	-	7,643.70
2012 Ford Explorer #505	34,156.00	13,662.40	20,493.60	27,324.80
2013 5VI Heavy Rescue Unit #496	624,662.21	46,849.66	577,812.55	609,045.66
2014 Interceptor SUV	33,408.20	3,340.82	30,067.38	
	<u>\$ 3,046,877.77</u>	<u>\$ 1,860,487.95</u>	<u>\$ 1,186,389.82</u>	<u>\$ 1,266,964.78</u>
Fund Equity				
Investment in General Fixed Assets			<u>\$ 1,186,389.82</u>	<u>\$ 1,266,964.78</u>

**ABERDEEN FIRE DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

Summary of Significant Accounting Policies

The accounting policies of Aberdeen Fire District Number One conform to the accounting principles applicable to special districts which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The following is a summary of the significant policies:

Basis of Accounting – The accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they are earned or due. Expenditures are recognized in the period in which the liability is incurred.

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

Fixed Assets – Property and equipment purchased by the current fund and the general capital fund are recorded as expenditures at the time of purchase. The historical cost of such fixed assets is reflected in the General Fixed Asset group of accounts. Depreciation is charged on the Straight-Line Method over the estimated useful life of the assets.

General Capital Fund – The accounting for expenditures for property and equipment by debt authorized or from restricted grant funds is contained in the general capital fund. The acquisition and construction cost of such assets, when completed, is reflected in the General Fixed Assets group of accounts.

Pension – Those employees who are eligible for pension coverage are enrolled in the Public Employees Retirement System of New Jersey administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plan does not maintain separate records for each reporting unit and, accordingly, the actuarial data for the Fire District is not available. Pension expense for the current and immediately preceding year was \$7,825.00 and \$7,955.46, respectively.

BOARD OF FIRE COMMISSIONERS
FIRE DISTRICT NUMBER ONE
TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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 four years:

<u>Fiscal Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
2014	\$1,295,741,550	\$ 582,312.00	.045
2013	\$1,340,977,200	\$ 575,682.50	.043
2012	\$1,348,540,100	\$ 570,141.00	.041
2011	\$1,347,453,300	\$ 548,816.00	.041
2010	\$1,347,998,100	\$ 569,300.00	.042

ROSTER OF OFFICIALS

Board of Fire Commissioners

<u>Name</u>	<u>Position</u>
Vincent Vinci	President
James Lauro	Vice-President
E. Paul Percussi	Secretary
Steven Castellano	Member
James Vena	Treasurer

Other Officials

Allen E. Falk, Esq.	Attorney
Robert DeBold	Fire Official
William Smith, Jr.	Fire Inspector

Surety Company

American Alternative Ins. Co.

Amount of Bond	\$100,000.00
----------------	--------------

SUBSEQUENT EVENTS

None

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Aberdeen Fire District No. 1's financial performance provides an overview of the Fire District's financial activities for the fiscal year ended December 31, 2014. Please read in conjunction with the Fire District's financial statements.

Highlights

The Fire District's Net Position increased by \$49,900. from the previous year. Total net assets increased by \$7,400. and total liabilities decreased by \$40,500.

During the year, revenues increased by \$14,700. mainly due to an increase in district taxes of \$6,600 and an increase in insurance reimbursements of \$10,200. Operating expenses were higher than last year by \$17,000 mainly due to increased medical of \$10,400.

Results compared to the 2014 budget reflected a decrease in workmen's compensation insurance, professional services, insurance premiums and other areas.

There was an overall increase in cash and invested cash of \$90,000. due primarily to increased revenues of \$14,700 and decreased operating expenses.

The Fire District continues the replacement of older equipment to insure the finest safety for the community.