

BOROUGH OF TINTON FALLS FIRE DISTRICT #1

Audit Report

For the Years Ended December 31, 2009 and 2008

BART & BART  
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners  
Borough of Tinton Falls Fire District #1  
Tinton Falls, NJ 07753

We examined the financial statements of the various funds of the Borough of Tinton Falls Fire District #1 as of December 31, 2009 and 2008 for the years then ended as listed in the foregoing table of contents. These financial statements are the responsibility of the Fire District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with governmental auditing standards generally accepted in the United States of America, government auditing standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note #1, Borough of Tinton Falls Fire District #1 prepares its financial statements on a modified accrual basis of accounting that demonstrates compliance with accounting principles and practices as described by the Division of Local Government Services Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the various funds of the Borough of Tinton Falls Fire District #1 at December 31, 2009 and 2008, the results of operations for the years then ended, on a basis of accounting described in Note #1.

Our audit was made for the purpose of forming an opinion of the general purpose financial statements taken as a whole. The information included in the supplementary schedules is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



BART & BART

April 12, 2010

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Report on Compliance and on Internal Control over Financial Reporting  
Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

To The Board of Fire commissioners  
Borough of Tinton Falls Fire District #1

We have audited the financial statements of Borough of Tinton Falls Fire District #1 as of December 31, 2009 and for the year ended December 31, 2009, and have issued our report thereon dated, April 12, 2010. 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, and audit requirements as prescribed by the State of New Jersey.

Compliance

As part of obtaining reasonable assurance about whether Borough of Tinton Falls Fire District #1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit for the financial statements of Borough of Tinton Falls Fire District #1, for the year ended December 31, 2009, we considered its internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we considered to be a significant deficiency under standards established by the American Institute of Certified Public Accountants. Significant deficiencies involve matters coming to our attention relating to the design or operation of internal control that, in our judgement, could adversely affect the organization's ability to initiate record, process and report financial data consistent with assertions of management in the financial statements.

Inadequate controls over the year-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

These reports are intended for the information of the management and others within the organization. This report is a matter of public record and its distribution is not limited.



April 12, 2010

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MANAGEMENT'S  
DISCUSSION AND ANALYSIS

BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2009

As management of Borough of Tinton Falls District No. 1, we offer readers of the Tinton Falls Fire District No. 1 financial statements this narrative overview and analysis of the financial activities of the Borough of Tinton Falls Fire District No. 1 for the year ended December 31, 2009. The intent of this narrative is to look at the Borough of Tinton Falls Fire District No. 1's overall financial performance in terms easily understood by the lay person. Please read this in conjunction with the audit reports beginning on page 1 and the District's financial statements, which begin on page 5. Notes to the financial statements will provide the reader with additional useful information and they begin on page 9.

**Financial Highlights**

- The assets of the District exceeded its liability at December 31, 2009, by approximately \$3.47 million combined.
- During 2009, on a budgetary basis, the Borough of Tinton Falls Fire District No. 1 operated at a surplus of approximately \$175,877. The surplus in 2008 was approximately \$267,354. This is a decrease of \$91,477.
- The District paid down its long-term debt in 2009 by \$249,808.

**Using This Annual Report**

This annual report consists of series of financial statements. Borough of Tinton Falls Fire District No. 1's basic financial statements are comprised of three components: district-wide financial statements; and notes to the basic financial statements.

**Reporting on the District as a Whole**

District-wide financial statements are provided to give the reader a broad overview of the District's financial position and its financial activity for the year. It is presented in a format similar to the private sector to give the reader a familiar point of reference.

The Statement of Net Assets presents information on all the assets and liabilities of Borough of Tinton Falls Fire District No. 1. The difference between the two is reported as the District's net assets. Significant increases or decreases in the District's net assets can be an indication of the financial health of the District.

The Statement of Activities presents financial information about activities that result in the District's net assets increasing or decreasing during the year. Financial activities are recorded when the transactions occur rather than when the cash is received or paid out. As a result, there could be activities that result in cash flow in a future period.

**BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2009**

**Reporting on the District as a Whole (Continued)**

The district-wide financial statements report on the financial data by function. Borough of Tinton Falls Fire District No. 1 has two basic functions: activities that are supported by property taxes; and activities supported by other governmental activities. Borough of Tinton Falls Fire District No. 1 provides firefighter services to the citizens of the Borough of Tinton Falls.

As required by N.J.S.A. 40A:14:78-3, Borough of Tinton Falls Fire District No. 1 adopts an annual budget which is voted on by the legal voters of the district of the third Saturday in February. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

**Notes of Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements.

**District-Wide Financial Analysis**

Borough of Tinton Falls Fire District No. 1's net assets are a useful indicator of the District's financial condition. At the end of 2009, the District's assets exceeded the liabilities by approximately \$1.65 million. The largest portion of Borough of Tinton Falls Fire District No. 1's net assets (70%) is its investment in capital assets. The District uses these assets to provide fire-fighting services the community; consequently, these assets are not available for future spending. Borough of Tinton Falls Fire District No. 1's investment in capital assets is reported net of related debt and accumulated depreciation. Since the capital assets are not available to liquidate the debt, other sources must be utilized for the repayment of the debt.

**Statement of Net Assets**

**Borough of Tinton Falls Fire District No. 1**  
**Net Assets**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Current and other assets	\$ 592,998	\$ 464,902	\$ 128,096
Capital Assets	<u>2,967,877</u>	<u>2,238,952</u>	<u>728,925</u>
Total assets	3,560,875	2,703,854	857,021
Other liabilities	<u>(1,905,528)</u>	<u>(1,230,438)</u>	<u>(675,090)</u>
Net assets	\$1,655,347	\$1,473,416	\$ 181,931

**Analysis of Net Assets**

Invested in capital assets			
Net of related debt	\$1,149,578	\$1,101,952	\$ 47,626
Restricted for capital projects	7,121	48,753	(41,632)
Unrestricted	<u>498,648</u>	<u>322,711</u>	<u>175,937</u>
Total net assets	\$1,655,347	\$1,473,416	\$ 181,931



BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2009

The net assets of the Borough of Tinton Falls Fire District No. 1 increased approximately \$181,931 during the 2009 period.

**Governmental Activities**

The Statement of Activities shows the costs of the governmental activities program services and the changes for services and grants offsetting these costs. A summary of these activities is as follows:

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Expenses			
Program expenses			
Administrative expenses	\$ 44,903	\$ 50,900	\$ (5,997)
Cost of operations & maintenance	491,789	496,705	(4,916)
Capital appropriations	309,988	130,266	179,722
LOSAP	<u>53,576</u>	<u>61,140</u>	<u>(7,564)</u>
Total program expenses	\$900,256	\$739,011	\$161,245
General Revenues			
Property taxes levied for			
General purposes	\$1,060,954	\$975,398	\$ 85,556
Interest earned on investments	5,162	20,326	(15,164)
Miscellaneous Income	<u>7,000</u>	<u>7,624</u>	<u>(624)</u>
Total general revenues	<u>\$1,073,116</u>	<u>\$1,003,348</u>	<u>\$ 69,768</u>

BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2009

Property tax revenue constituted 99% of the total governmental activities revenues received by Borough of Tinton Falls Fire District No. 1 in 2009. In 2008 the property tax revenue constituted 96% of total revenues.

**Financial Analysis of the Government Funds**

Borough of Tinton Falls Fire District No. 1 uses fund accounting to document compliance with finance-related legal requirements.

**Governmental Funds**

The primary objective of the District's governmental funds is to report on cash flows in and out during the period and the ending balances of the spendable resources. This information is useful to evaluate the performance of the District and to assess its future needs and available resources.

As of December 31, 2009, the combined balance of the governmental cash funds of the Borough of Tinton Falls Fire District No. 1 was approximately \$592,998. This balance is \$128,096, higher than last year's combined governmental funds balance.

**Long-Term Obligations**

The Borough of Tinton Falls Fire District No. 1 issued \$1.6 million in serial bonds in 2000 to finance the construction of a new firehouse. The bonds are payable over twenty years. In 2009, the Board paid off \$71,000 in bonds and paid out \$60,180 in bond interest.

In 2009, the District entered into a lease/purchase of an Aerial Pumping Truck. The total amount due under the lease is \$779,528, \$141,781 principal and \$37,027 in interest and paid towards the lease in 2009.

**Economic Factors and Next Years Budget**

In 2009, Borough of Tinton Falls Fire District No. 1 was able to cover all its appropriations through the fire tax levy and other revenues.

BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2009

**Requests for Information**

This financial report is designed to provide a general overview of the Borough of Tinton Falls Fire District No. 1's finances for all of those with an interest in the district's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to William Truex, Treasurer, Borough of Tinton Falls Fire District No. 1, 2 Volunteer Way, Tinton Falls, New Jersey 07753.

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Board of Fire Commissioners



Borough of Tinton Falls Fire District #1General FundComparative Balance Sheet

<u>ASSETS</u>	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Cash	\$ 244,706	\$ 146,233
Prepaid Insurance	16,744	13,858
Accounts Receivable	331,548	304,811
Total Assets	<u>\$ 592,998</u>	<u>\$ 464,902</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities and Reserves:		
Accounts Payable	\$ 36,627	\$ 21,612
Reserve for Retirement Pay	43,964	65,188
Reserve for Construction	6,638	6,638
Total Liabilities and Reserves	<u>87,229</u>	<u>93,438</u>
Fund Balance:		
Undesignated	\$ 498,648	\$ 322,711
Reserved for Capital Outlays	7,121	48,753
Total Fund Balance	<u>505,769</u>	<u>371,464</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 592,998</u>	<u>\$ 464,902</u>

See accompanying accountant's reports and notes to financial statements.

Borough of Tinton Falls Fire District #1General FundStatement of Revenues, Expenditures and Changes in Fund BalanceFor the Year Ended December 31, 2009With Comparative Actual Amounts for Period Ended December 31, 2008

	<u>2009</u>		<u>Variance</u>	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Revenues and Other Financing Sources:				
Miscellaneous Revenues:				
Supplemental Fire Services Act	3,144	3,017	(127)	3,017
Grant Income	-	-	-	-
Earnings on Investments and				
Deposits	3,500	5,162	1,662	20,326
Miscellaneous Income	-	7,000	7,000	7,624
Total Miscellaneous Revenues	6,644	15,179	8,535	30,967
Fund Balance Appropriated	-	-	-	-
Total Fund Balance				
Appropriated	-	-	-	-
District Taxes	1,060,954	1,060,954	-	975,398
Total Revenues and Other				
Financing Sources	<u>\$ 1,067,598</u>	<u>\$ 1,076,133</u>	<u>\$ 8,535</u>	<u>\$ 1,006,365</u>
Expenditures:				
Current Operating Appropriations	\$ 637,562	\$ 590,268	\$ 47,294	\$ 608,745
Capital Appropriations	430,036	309,988	120,048	130,266
Total Expenditures	1,067,598	900,256	167,342	739,011
Excess of Revenue over				
Expenditures	-	175,877	175,877	267,354
Less: Fund Balance Utilized	-	-	-	-
Fund Balance, Beginning of Year	322,771	322,771	-	55,417
Fund Balance, End of Year	<u>\$ 322,771</u>	<u>\$ 498,648</u>	<u>\$ 175,877</u>	<u>\$ 322,771</u>

See accompanying accountant's reports and notes to financial statements.

Borough of Tinton Falls Fire District #1  
General Fund  
Statement of Expenditures Compared to Budget  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for Period Ended December 31, 2008

	2009		Variance	2008
	Budget	Actual	Favorable (Unfavorable)	Actual
ADMINISTRATION:				
Salaries and Wages	\$ 13,520	\$ 10,049	\$ 3,471	\$ 5,925
Election	1,400	1,287	113	1,225
Office Expenses	4,566	5,322	(756)	3,079
Professional Services	34,050	28,245	6,249	40,671
Advertising	1,560	444	1,116	-
Miscellaneous	598	-	598	-
Total Administration	<u>\$ 55,694</u>	<u>\$ 44,903</u>	<u>\$ 10,791</u>	<u>\$ 50,900</u>
COST OF OPERATIONS:				
Fringe Benefits	\$ 18,000	\$ 12,119	\$ 5,881	\$ 11,338
Insurance	77,940	54,501	23,439	62,483
Maintenance and Repairs	85,000	106,929	(21,219)	85,414
Hydrant Services	130,000	163,203	(33,203)	114,214
Training and Education	16,000	7,194	8,806	75,092
Promotions	1,560	832	728	560
Utilities	26,300	22,718	2,867	20,865
Fuel	-	10,625	(10,625)	14,765
Membership	1,040	839	201	1,027
Supplemental Fire Services Act	3,144	3,144	-	-
Length of Service Awards Program	76,884	53,576	23,308	61,140
Contingent	9,500	1,461	8,039	1,413
Materials & Supplies	25,500	12,848	12,652	8,047
Other assets-non bondable	60,000	44,371	15,629	50,487
Rent	51,000	51,000	-	51,000
Total Cost of Operations	<u>581,868</u>	<u>545,365</u>	<u>36,503</u>	<u>557,845</u>
Total Current Operating Exps.	<u>637,562</u>	<u>590,268</u>	<u>47,294</u>	<u>608,745</u>
CAPITAL APPROPRIATIONS:				
Reserve for Future Capital Outlays	120,048	-	120,048	-
Debt Service:				
Bond Principal	71,000	71,000	-	68,000
Bond Interest	60,180	60,180	-	62,226
Lease	178,808	178,808	-	-
Total Capital Appropriations	<u>309,988</u>	<u>309,988</u>	<u>120,048</u>	<u>130,516</u>
Total Appropriations	<u>\$ 1,067,598</u>	<u>\$ 900,256</u>	<u>\$ 167,342</u>	<u>\$ 739,011</u>

See accompanying accountant's reports and notes to financial statements.



Borough of Tinton Falls Fire District #1Capital FundComparative Balance SheetDecember 31, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Amount to be Provided for Retirement of Debt	<u>\$1,815,259</u>	<u>\$1,134,000</u>
Total Assets	<u>\$1,815,259</u>	<u>\$1,134,000</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	\$1,063,000	\$1,134,000
Capital Lease Payable	<u>752,259</u>	<u>-</u>
Total Liabilities, Reserves and Fund Balance	<u>\$1,815,259</u>	<u>\$1,134,000</u>

See accompanying accountant's reports and notes to financial statements.

Borough of Tinton Falls Fire District #1Capital FundCombining Statement of Amount to be ProvidedFor Retirement of Debt

<u>Purpose</u>	<u>Balance 12/31/08</u>	<u>Bond Paid By Budget Appropriation</u>	<u>Lease/ Bonds Issued</u>	<u>Balance 12/31/09</u>
Construction of Fire Station	\$1,134,000	\$ 71,000	\$ -	\$1,063,000
Capital Lease-Aerial Ladder Truck	-	141,781	894,040	752,259
	<u>\$1,134,000</u>	<u>\$ 282,781</u>	<u>\$ 894,040</u>	<u>\$1,815,259</u>

See accompanying accountant's reports and notes to financial statements.

Borough of Tinton Falls Fire District #1General Fixed Assets Account GroupComparative Balance SheetDecember 31, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Building:		
Fire House (estimated cost)	\$1,615,826	\$1,615,826
Equipment	290,958	249,387
Vehicles	<u>2,938,490</u>	<u>2,158,962</u>
Total Assets	4,845,274	4,024,175
Less Accumulated Depreciation:		
Building	484,747	420,115
Equipment	128,452	105,530
Vehicles	<u>1,264,217</u>	<u>1,159,578</u>
Total Accumulated Depreciation	<u>1,877,416</u>	<u>1,685,223</u>
Total Net Assets	<u>\$2,967,858</u>	<u>\$2,338,952</u>
 <u>FUND BALANCE</u>		
Investment in General Fixed Assets	<u>\$2,967,858</u>	<u>\$2,338,952</u>

See accompanying accountant's reports and notes to financial statements.



Borough of Tinton Falls Fire District #1General Fixed Assets Account GroupStatement of Revenues, Expenditures and Changes in Fund BalanceDecember 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Revenues and Other Financing Sources:</u>		
Purchase of Equipment	\$ <u>821,099</u>	\$ <u>548,307</u>
Total Revenues and Other Financing Sources	\$ <u>821,099</u>	\$ <u>548,307</u>
<u>Expenditures:</u>		
Depreciation	\$ <u>192,194</u>	\$ <u>161,933</u>
Total Expenditures	<u>192,194</u>	<u>161,933</u>
Excess of Revenue Over Expenditures	628,905	386,374
Fund Balance, Beginning of Year	<u>2,338,953</u>	<u>1,952,578</u>
Fund Balance, End of Year	<u>\$2,967,858</u>	<u>\$2,338,952</u>

See accompanying accountant's reports and notes to financial statements.

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough of Tinton Falls Fire District #1 (the "District") 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. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect public funds.

Separate financial statements are provided for the following separate funds:

General Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

Capital Fund - Resources and expenditures for the acquisition of general capital facilities, other than those acquired through the general fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - Shows the District's investment in buildings and equipment, net of accumulated depreciation.

The following is a summary of the significant policies:

Basis of Accounting - The modified accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable, except that unmatured interest and principal on general obligation debt are accounted for as expenditures in the year becoming due and payable.

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

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2009 and 2008

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets - Property, plant and equipment purchased by the current fund and the general capital fund are recorded as expenditures at the time of purchase. The historical cost, or if such cost is not practically determinable, the estimated historical cost of such fixed assets is reflected in the General Fixed Assets group of accounts.

The District adopted Governmental Accounting Standards Board Statement No. 34. This standard recommends, among other things, the District to recognize depreciation on all assets contained in the general fund asset account group. The historical cost of the fund assets are shown net of all accumulated depreciation as investments in general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Building Improvements	25
Fire Trucks	25
Other Vehicles	15
Equipment	10

Depreciation expense for the years ending December 31, 2009 and 2008 was \$192,194 and \$161,932 respectively.

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

Borough of Tinton Falls Fire District #1  
Notes to Financial Statements  
For the Year Ended December 31, 2009 and 2008

Note 2. BONDS PAYABLE

The District in 2000 issued \$1.6 million of general obligation bonds to construct a fire station.

Long-Term Debt

The District's long-term debt consisted of the following at December 31, 2008.

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2009</u>
Fire Station	11/15/2000	\$1,600,000	4.35%-5.45%	\$1,063,000

Serial Bonds were issued in the amount of \$1,600,000 to be paid over twenty (20) years. The following schedule reflects the serial bonds due.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interst</u>	<u>Total</u>
2008	68,000	62,266	130,266
2009	71,000	59,036	130,036
2010	75,000	55,628	130,628
2011	78,000	51,792	129,792
2012	82,000	48,111	130,111
2013	86,000	44,011	130,011
2014	91,000	39,625	130,625
2015	95,000	34,893	129,893
2016	100,000	29,905	129,905
2017	105,000	24,605	129,605
2018	111,000	18,988	129,988
2019	117,000	13,022	130,022
2020	123,000	6,704	129,704
Totals	\$1,202,000	\$488,586	\$1,690,586



Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2009 and 2008

Note 3. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The Fire District offers its volunteers a Length of Service Awards Program in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Program and all income attributed to those amounts are the exclusive property of the Fire District, subject to the claims of its general creditors. Participants' rights under the Program are equal to those of a general creditor of the Fire District in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Fire District would use Program assets to satisfy claims of the general creditors in the future.

Note 4. LEASE PAYABLE

On June 16, 2008, the District in order to acquire a new Aerial ladder truck entered into a lease agreement with Oshkosh Capital as Lessor pursuant to a competitive bid awarded on May 27, 2008 at an interest rate of 4.750%. The minimum annual payments called for under the lease are as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Annual Payments</u>
2009	37,027	141,781	178,808
2010	30,293	148,515	178,808
2111	23,298	155,510	178,808
2012	15,848	162,960	178,808
2013	8,108	170,700	178,808
	<u>\$114,574</u>	<u>\$779,466</u>	<u>\$894,040</u>

Borough of Tinton Falls Fire District #1

ROSTER OF OFFICIALS

Board of Commissioners

Gerald T. MacPherson	President
Howard M. Chervinsky	Assistant Treasurer/Secretary
Joseph Corson, Sr.	Second Vice President
William J. Truex	Treasurer
Thomas R. Wiecezark	Secretary

BOROUGH OF TINTON FALLS FIRE DISTRICT #1

Comments and Recommendations

For the Year Ended December 31, 2009

Comments: None

Recommendations: None

## AUDIT REVIEW CERTIFICATE

IMPORTANT: Signatures must be original. Photocopies not accepted.