

BOROUGH OF TINTON FALLS FIRE DISTRICT #1

Audit Report

For the Years Ended December 31, 2015 and 2014

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the various funds of the Borough of Tinton Falls Fire District #1 (the District), as of and for the years ended December 31, 2015 and 2014, and the related notes to the basic financial statements, which collectively comprise the 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 U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditors' judgement, 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.

Board of Fire Commissioners
Borough of Tinton Falls Fire District #1

Opinion

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, 2015 and 2014, and the results of operations for the years then ended, on a basis of accounting described in Note #1.

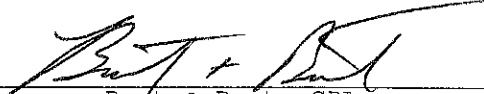
Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 2 and 3 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 July 12, 2016, on our consideration of the District's internal control over financial reporting and 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 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 and should be considered in assessing the results of our audit.


Bart & Bart, CPAs

July 12, 2016

BART & BART CERTIFIED PUBLIC ACCOUNTANTS

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 Tinton Falls Fire District #1, Tinton Falls, New Jersey, for the year ended December 31, 2014, and have issued our report thereon dated July 12, 2016. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Districts internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Districts internal control over financial reporting.

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 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 or corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies in internal over financial reporting that we consider to be a material weaknesses as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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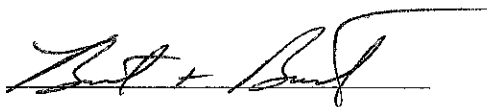
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Board of Fire Commissioners
Borough of Tinton Falls Fire District #1
Page two

This report is intended solely for the information and use of the members of the District and its management and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Bart + Bart", written over a horizontal line.

Bart & Bart, CPA's

July 12, 2016

MANAGEMENT' S
DISCUSSION AND ANALYSIS

BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015

This discussion and analysis of Tinton Falls Fire District No. 1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the district's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999.

Financial Highlights

Key financial highlights for 2015 as compared to 2014 are as follows:

	<u>As of December 31,</u>	
	2015	2014
General Fund Assets	\$ 1,267,100	\$ 975,526
Capital Assets - Net	2,702,597	2,887,877
Amount to be provided for Debt	847,243	1,023,216
Total Assets	\$ 4,816,940	\$ 4,886,619
Total Current Liabilities	68,302	61,997
Total Liabilities	\$ 68,303	\$ 61,997
Net Position		
Restricted:		
Invested in Capital Assets	\$ 2,702,597	\$ 2,887,877
Amount to be provided for Debt	847,243	1,023,216
Unrestricted	1,198,798	\$ 913,529
Net Position	\$ 4,748,636	\$ 4,824,622

Comparative Statement of Revenues, Expenses and Change in Net Position

There was an increase in Operating Revenues from taxation. Tax Revenue increased \$20,747 or 2% from the prior year due to a increase in the voter approved Tax Levy.

Operating Expenses decreased \$3,005 or .05% from the prior year. Depreciation charged has decreased by \$10,039.

Total Operating Revenues less Total Operating Expenses produced a surplus of \$354,939.

The following table shows the history of the past five years property tax levies per \$100 of assessed valuations on property within the District:

<u>Fiscal Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
2016	\$1,705,688,593	\$1,100,414	.063
2015	1,588,462,886	1,058,086	.067
2014	1,619,679,548	1,037,339	.064
2013	1,606,350,290	1,023,154	.064
2012	1,872,450,100	1,024,516	.058
2011	1,751,106,459	1,030,443	.061

BOROUGH OF TINTON FALLS FIRE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Financial Highlights

Total assets of the general fund increased by \$291,574. Total liabilities and reserves increased by \$6,365.

The District had \$716,869 in expenses, a decrease of \$2,787. Administration costs increased \$12,827, while costs of operations decreased \$85,861. General revenues and fund balance were adequate to provide for these expenses.

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 Carl E. Bowles, Treasurer, Borough of Tinton Falls Fire District No. 1, 2 Volunteer Way, Tinton Falls, New Jersey 07753.

Borough of Tinton Falls Fire District #1
General Fund
Comparative Balance Sheet

<u>ASSETS</u>	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Cash	\$ 936,447	\$ 962,978
Accounts Receivable	330,651	-
Prepaid Expenses	-	12,548
Total Assets	<u>\$1,267,100</u>	<u>\$ 975,526</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities and Reserves:		
Accounts Payable	\$ 16,591	\$ 1,437
Reserve for Retirement Pay	51,711	60,560
Total Liabilities and Reserves	<u>68,302</u>	<u>61,997</u>
 Fund Balance:		
Undesignated	\$1,191,617	\$ 906,408
Reserved for Capital Outlays	7,121	7,121
Total Net Position	<u>1,198,798</u>	<u>913,529</u>
Total Liabilities, Reserves and Net Position	<u>\$1,267,100</u>	<u>\$ 975,526</u>

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

Borough of Tinton Falls Fire District #1General FundStatement of Activities and Changes in Net PositionFor the Year Ended December 31, 2015With Comparative Actual Amounts for Period Ended December 31, 2014

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Revenues and Other Financing Sources:				
Miscellaneous Revenues				
Supplemental Fire Services Act	\$ 2,430	\$ 2,430	\$ -	\$ 2,430
Grant Income	-	-	-	-
Earnings on Investments and Deposits	1,000	1,376	376	1,081
Miscellaneous Income	-	10,016	10,016	15,853
Total Miscellaneous Revenues	<u>3,430</u>	<u>13,822</u>	<u>10,392</u>	<u>19,364</u>
Fund Balance Appropriated	<u>48,082</u>	<u>-</u>	<u>(48,082)</u>	<u>-</u>
Total Fund Balance Appropriated	<u>48,082</u>	<u>-</u>	<u>(48,082)</u>	<u>-</u>
District Taxes	<u>1,058,086</u>	<u>1,058,086</u>	<u>-</u>	<u>1,037,339</u>
Total Revenues and Other Financing Sources	<u>\$ 1,109,598</u>	<u>\$1,071,908</u>	<u>\$ (37,690)</u>	<u>\$1,056,703</u>
Expenditures:				
Current Operating Appropriations	\$ 693,275	\$ 517,166	\$ 176,109	\$ 520,171
Capital Appropriations	<u>416,323</u>	<u>199,803</u>	<u>216,520</u>	<u>199,585</u>
Total Expenditures	<u>1,109,598</u>	<u>716,969</u>	<u>392,629</u>	<u>719,756</u>
Excess of Revenue over Expenditures	<u>-</u>	<u>354,939</u>	<u>354,939</u>	<u>336,947</u>
Less Transfer to General Fixed Asset Account	<u>-</u>	<u>(69,670)</u>	<u>(69,670)</u>	<u>-</u>
Net Position, Beginning of Year	<u>906,408</u>	<u>906,408</u>	<u>-</u>	<u>569,461</u>
Net Position, End of Year	<u>\$ 906,408</u>	<u>1,191,617</u>	<u>\$ 285,269</u>	<u>906,408</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, 2015
With Comparative Actual Amounts for Period Ended December 31, 2014

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
ADMINISTRATION:				
Salaries and Wages	\$ 12,000	\$ 11,520	\$ 480	\$ 8,115
Election	1,300	130	1,170	125
Office Expenses	4,700	937	3,763	-
Professional Services	36,570	40,661	(4,091)	31,352
Advertising	1,250	269	981	1,098
Miscellaneous	575	-	575	-
Total Administration	\$ 56,395	\$ 53,517	\$ 2,878	\$ 40,690
COST OF OPERATIONS:				
Fringe Benefits	\$ 25,000	\$ 11,508	\$ 13,492	\$ 12,376
Insurance	55,000	51,900	3,100	97,349
Maintenance and Repairs	100,000	66,724	33,276	82,591
Hydrant Services	200,000	165,788	34,212	144,839
Training and Education	16,300	9,455	6,845	7,818
Promotions	1,560	-	1,560	-
Utilities	34,150	11,298	22,852	21,721
Fuel	-	5,887	(5,887)	12,229
Membership	1,040	400	640	300
Supplemental Fire Services Act	2,430	-	2,430	-
Length of Service Awards Program	50,000	31,711	18,289	64,120
Contingent	10,000	3,000	7,000	-
Materials & Supplies	28,000	11,811	16,189	14,178
Other assets-non bondable	60,000	38,757	21,241	40,989
Rent	51,000	51,000	-	51,000
Internet	2,400	4,408	(2,008)	-
Total Cost of Operations	636,880	463,649	173,231	549,510
Total Current Operating Exps.	693,275	517,166	176,109	590,200
CAPITAL APPROPRIATIONS:				
Reserve for Future Capital Outlays	216,845	-	216,845	-
Debt Service:				
Bond Principal	94,000	94,000	-	89,000
Bond Interest	23,505	23,830	(325)	64,448
Lease	81,973	81,973	-	225,637
Total Capital Appropriations	416,323	199,803	216,520	379,085
Total Appropriations	\$ 1,109,598	\$ 716,969	\$ 392,629	\$ 969,285

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

Borough of Tinton Falls Fire District #1Capital FundComparative Balance SheetDecember 31, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Amount to be Provided for Retirement of Debt	\$ <u>847,243</u>	\$ <u>1,023,216</u>
Total Assets	\$ <u>847,243</u>	\$ <u>1,023,216</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	\$ 528,000	\$ 622,000
Capital Lease Payable	<u>319,243</u>	<u>401,216</u>
Total Liabilities, Reserves and Net Position	\$ <u>847,243</u>	\$ <u>1,023,216</u>

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

Borough of Tinton Falls Fire District #1
Capital Fund
Combining Statement of Amount to be Provided
For Retirement of Debt

<u>Purpose</u>	<u>Balance</u> <u>12/31/14</u>	<u>Bond Paid</u> <u>By Budget</u> <u>Appropriation</u>	<u>Lease/</u> <u>Bonds</u> <u>Issued</u>	<u>Balance</u> <u>12/31/15</u>
Construction of Fire Station	\$ 622,000	\$ 94,000	\$ -	\$ 528,000
Capital Lease-Heavy Rescue Truck	<u>401,216</u>	<u>81,973</u>	<u>-</u>	<u>319,243</u>
	<u>\$1,023,216</u>	<u>\$ 175,973</u>	<u>\$ -</u>	<u>\$ 847,243</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, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Building:		
Fire House (estimated cost)	\$1,615,826	\$1,615,826
Equipment	709,712	709,712
Vehicles	<u>3,721,420</u>	<u>3,651,750</u>
Total Assets	6,046,958	5,977,288
Less Accumulated Depreciation:		
Building	872,546	807,913
Equipment	417,311	352,940
Vehicles	<u>2,054,504</u>	<u>1,928,558</u>
Total Accumulated Depreciation	<u>3,344,361</u>	<u>3,089,411</u>
Total Net Assets	<u>\$2,702,597</u>	<u>\$2,887,877</u>
 <u>NET POSITION</u>		
Investment in General Fixed Assets	<u>\$2,702,597</u>	<u>\$2,887,877</u>

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

Borough of Tinton Falls Fire District #1
General Fixed Assets Account Group
Statement of Activities and Changes in Net Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Revenues and Other Financing Sources:</u>		
Purchase of Equipment	\$ <u>69,670</u>	\$ <u>-</u>
Total Revenues and Other Financing Sources	\$ <u>69,670</u>	\$ <u>-</u>
<u>Expenditures:</u>		
Depreciation	\$ <u>254,950</u>	\$ <u>264,989</u>
Total Expenditures	<u>254,950</u>	<u>264,989</u>
Excess of Revenue Over Expenditures	(185,280)	(264,990)
Net Position, Beginning of Year	<u>2,887,877</u>	<u>3,152,867</u>
Net Position, End of Year	<u>\$2,702,597</u>	<u>\$2,887,877</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, 2015 and 2014

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Tinton Falls Fire District #1 (The District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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, 2015 and 2014

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2015, capital assets and the useful lives used for determination of annual depreciation were as follows:

	Balance December 31, 2014	Current Year's Activity		Balance December 31, 2015
		Increase	Decrease	
Depreciable:				
Buildings	\$ 1,615,826	\$ -	\$ -	\$ 1,615,826
Equipment	709,712	-	-	709,712
Apparatus	<u>3,651,750</u>	<u>69,670</u>	<u>-</u>	<u>3,721,420</u>
	5,977,288	69,670	-	6,046,958
Less: Accumulated Depreciation	<u>3,089,411</u>	<u>254,950</u>	<u>-</u>	<u>3,344,361</u>
	<u>\$ 2,887,877</u>	<u>\$ 185,280</u>	<u>\$ -</u>	<u>\$ 2,702,597</u>

Depreciation expense for the years ended December 31, 2015 and 2014 were \$254,950 and \$264,989, 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, 2015 and 2014

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, fire districts are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or,

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The amount on deposit of the District's cash and cash equivalents at December 31, 2015, is as follows:

Checking Account	\$ 307,336
Money Market	<u>629,113</u>
	\$ 936,449

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2015 and 2014

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS

New Jersey statues permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. RISK ANALYSIS

All bank deposits, as of the net position date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2015 and 2014

Note 3. BONDS PAYABLE

On March 30, 2012, the District sold refunding bonds to the Monmouth County Improvement Authority in the amount of \$974,000. The proceeds of this issue were used to advance refund \$974,000 of the 2000 series bonds. The 2013 Series Bonds are payable on June 1 and December 1 as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
6/1/2011			\$ 5,645.04	\$ 5,645.04	
12/1/2011	\$ 96,000	2.0000%	16,657.50	112,657.50	\$ 118,302.54
6/1/2012			15,697.50	15,697.50	
12/1/2012	84,000	3.0000%	15,697.50	99,697.50	115,395.00
6/1/2013			14,437.50	14,437.50	
12/1/2013	88,000	3.0000%	14,437.50	102,437.50	116,875.00
6/1/2014			13,117.50	13,117.50	
12/1/2014	91,000	3.0000%	13,117.50	104,117.50	117,235.00
6/1/2015			11,752.50	11,752.50	
12/1/2015	94,000	5.0000%	11,752.50	105,752.50	117,505.00
6/1/2016			9,402.50	9,402.50	
12/1/2016	99,000	2.5000%	9,402.50	108,402.50	117,805.00
6/1/2017			8,165.00	8,165.00	
12/1/2017	101,000	4.0000%	8,165.00	109,165.00	117,330.00
6/1/2018			6,145.00	6,145.00	
12/1/2018	104,000	4.0000%	6,145.00	110,145.00	116,290.00
6/1/2019			4,065.00	4,065.00	
12/1/2019	107,000	4.0000%	4,065.00	111,065.00	115,130.00
6/1/2020			1,925.00	1,925.00	
12/1/2020	<u>110,000</u>	<u>3.5000%</u>	<u>1,925.00</u>	<u>111,925.00</u>	<u>113,850.00</u>
	\$974,000		\$191,717.54	\$1,165,717.54	\$1,165,717.54

As a result of the issue of the 2013 series refunding bonds, the District will save \$117,369.96 in gross debt service savings. This represents a present value savings to the District of 10.857%.

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2015 and 2014

Note 3. BONDS PAYABLE (Continued)

As a result of the sale of the 2013 Series Refunding Bonds, there still remains \$13,000 of the 2000 Series Bonds outstanding. The Bonds are payable on June 1 and December 1.

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
6/1/2012			\$ 338.38	\$ 338.38	
12/1/2012	3,000	4.950%	338.38	3,338.38	3,676.76
6/1/2013			264.13	264.13	
12/1/2013	2,000	5.000%	264.13	2,264.13	2,528.26
6/1/2013			214.13	214.13	
12/1/2013	1,000	5.100%	214.13	1,214.13	1,428.26
6/1/2014			188.63	118.63	
12/1/2014	1,000	5.200%	188.63	1,188.63	1,377.26
6/1/2015			162.63	162.63	
12/1/2015			162.63	162.63	325.26
6/1/2016			162.63	162.63	
12/1/2016			162.63	162.63	325.26
6/1/2017			162.63	162.63	
12/1/2017			162.63	162.63	325.26
6/1/2018			162.63	162.63	
12/1/2018	1,000	5.375%	162.63	1,162.63	1,325.26
6/1/2019			135.75	135.75	
12/1/2019	2,000	5.400%	135.75	2,135.75	2,271.50
6/1/2020			81.75	81.75	
12/1/2020	<u>3,000</u>	<u>5.450%</u>	<u>81.75</u>	<u>3,081.75</u>	<u>3,163.50</u>
	\$ 13,000		\$ 3,746.58	16,746.58	16,746.58

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2015 and 2014

Note 4. 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 5. LEASES 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
2011	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>

On March 1, 2012, the District in order to acquire a new Rescue Truck entered into a lease agreement as Lessor pursuant to a competitive bid awarded on February 18, 2012, at an interest rate of 4.57%. The minimum annual payments called for under the lease are as follows:

<u>Year</u>	<u>Total Rental Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
2012	\$ 81,973	\$ 29,425	\$ 52,548
2013	81,973	27,036	54,937
2014	81,973	24,538	57,435
2015	81,973	21,926	60,047
2016	81,973	19,196	62,777
2017	81,973	16,341	65,632
2018	81,973	13,357	68,616
2019	81,973	10,237	71,736
2020	81,973	6,975	74,998
2021	81,973	3,565	78,408
	<u>\$819,730</u>	<u>\$172,596</u>	<u>\$647,134</u>

Borough of Tinton Falls Fire District #1

Notes to Financial Statements

For the Year Ended December 31, 2015 and 2014

Note 6. SUBSEQUENT EVENTS

There were no other events subsequent to the date of the financial statements, and prior to the date of issuance of the financial statements.

Borough of Tinton Falls Fire District #1

ROSTER OF OFFICIALS

Board of Commissioners

Sean T. Donohue	President
Samuel Hawkins	Vice President
Andrew Calvo	Secretary
Cary Costa	Asst. Secretary/Treasurer
Carl E. Bowles	Treasurer
Richard Braslow, Esq.	Fire District #1 Attorney

BOROUGH OF TINTON FALLS FIRE DISTRICT #1

Comments and Recommendations

For the Year Ended December 31, 2015 and 2014

Comments: None

Recommendations: None