

MAURICE RIVER
FIRE DISTRICT NO. 2
COUNTY OF CUMBERLAND
REPORT OF AUDIT
DECEMBER 31, 2014

MAURICE RIVER TOWNSHIP FIRE DISTRICT NO. 2

COUNTY OF CUMBERLAND

TABLE OF CONTENTS

<u>EXHIBIT</u>	<u>PAGE</u>
Roster of Officials	
FINANCIAL SECTION	
Independent Auditor's Report	1-3
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	4-5
Required Supplementary Information - Part I	
Management's Discussion and Analysis	6-11
Basic Financial Statements	
A. District-wide Financial Statements	
A-1 Statement of Net Position	12
A-2 Statement of Activities	13
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	14
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	15
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to the Financial Statements	17-26
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	27
C-2 Budgetary Comparison Schedule - Special Revenue Fund	N/A

MAURICE RIVER TOWNSHIP FIRE DISTRICT NO. 2

COUNTY OF CUMBERLAND

TABLE OF CONTENTS

<u>EXHIBIT</u>	<u>PAGE</u>
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule - Note to RSI	28
Other Supplementary Information	
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	N/A
I. Long-Term Debt:	
I-1 Schedule of General Obligation Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
J. Supplemental Data:	
J-1 Schedule of State Financial Assistance	29
J-2 Schedule of Receipts, Disbursements and Changes in Cash	30
General Comments	31-32
Schedule of Findings and Recommendations	33
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	34
Appreciation	34

MAURICE RIVER
FIRE DISTRICT NO. 2
ROSTER PF OFFICIALS

The following officials were in office during 2014:

<u>NAME</u>	<u>TITLE</u>	
<u>Board of Commissioners</u>		
Kenneth Whildin	Chairman	
Robert P. Camp, Jr.	Secretary	
Kelly Winters	Commissioner	
Sandy Whildin	Commissioner	
April Camp	Commissioner	
 <u>Other Officials</u>		
Terri Whildin	Treasurer	
 <u>Surety Company</u>		
Selective Insurance Company of America – Blanket Bond		\$20,000

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

March 5, 2015

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the
Maurice River Fire District No. 2
County of Cumberland
P.O. Box 4
Heislerville, New Jersey 08324

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Maurice River Fire District No. 2 ("the Fire District"), County of Cumberland, State of New Jersey as of and for the year ended December 31, 2014, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Fire District's 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 basic 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; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, 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 audit provides a reasonable basis for our opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Maurice River Township Fire District No. 2, County of Cumberland, State of New Jersey, as of December 31, 2014, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying Management Discussion and Analysis on pages 6 through 11, along with budgetary comparison information on pages 27 through 28 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire District's basic financial statements. The related major fund supporting statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated March 5, 2015 on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A.
Registered Municipal Accountant

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

March 5, 2015

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the
Maurice River Fire District No. 2
County of Cumberland
P.O. Box 4
Heislerville, New Jersey 08324

We have audited the financial statements of the governmental activities and each major fund of the Maurice River Township Fire District No. 2 (the "Fire District"); County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2014, which collectively comprise the Maurice River Township Fire District No. 2, County of Cumberland, State of New Jersey's basic financial statements and have issued our report thereon dated March 5, 2015. 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 in compliance with audit requirements as prescribed by the New Jersey Division of Local Government Services – Bureau of Authority Regulation.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fire District's internal control over financial reporting as a basis for designing our auditing procedures 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 district's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the district's 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 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 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.