

**SUMMARY OR SYNOPSIS OF AUDIT REPORT OF THE  
HOWELL TOWNSHIP FIRE DISTRICT NO. 2 – ADELPHIA  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014  
AS REQUIRED BY N.J.S. 40A:5A-16**

A synopsis of the annual audit shall be prepared by the president of the District and published at least once in a newspaper circulating in the Township of the District. A copy of the synopsis shall be filed with the Director within 10 days after publication (N.J.S. 40A:5A-16).

The governing body of the District shall, within 45 days after receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit reported entitled General Comments and Recommendations, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board. Failure to comply with this provision may be subject members of the District to the penalty provisions of section 52 of P.L. 1947, C. 151 (N.J.S. 40A:5A-1).

HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA

STATEMENT OF NET POSITION

Exhibit A-1

DECEMBER 31, 2014

	<u>Governmental Activities</u>
Assets:	
Cash and Cash Equivalents	\$ 2,516,869
Capital Assets not Depreciated	600,000
Capital Assets, Net (Note 4)	<u>3,354,831</u>
Total Assets	<u>6,471,700</u>
Liabilities:	
Accounts Payable	<u>239,822</u>
Total Liabilities	<u>239,822</u>
Net Position:	
Invested in Capital Assets, Net of Related Debt	3,954,831
Restricted	1,250,000
Unrestricted	<u>1,027,047</u>
Total Net Position	<u>\$ 6,231,878</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA**

**STATEMENT OF ACTIVITIES**

**Exhibit A-2**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b><u>Governmental Activities</u></b>
Expenses:	
Operating Appropriations:	
Administration	\$ 53,323
Cost of Operations and Maintenance	972,174
Length of Service Award Program (LOSAP) - Contribution (P.L. 1997, c.388)	66,760
Interest on Long-Term Debt	13,503
Total Program Expenses	<u>1,105,760</u>
General Revenues:	
Taxes:	
Property Taxes, Levied for General Purposes	1,095,500
Taxes Levied for Debt Service	304,500
Miscellaneous Income	30,170
Total General Revenues	<u>1,430,170</u>
Increase in Net Position	324,410
Net Position, January 1 (Note 10)	<u>5,907,468</u>
Net Position, December 31	<u><u>\$ 6,231,878</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA

BALANCE SHEET

Exhibit B-1

GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and Cash Equivalents	\$ 2,516,869	2,516,869
Total Assets	<u>\$ 2,516,869</u>	<u>2,516,869</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	\$ 239,822	239,822
Total Liabilities	<u>239,822</u>	<u>239,822</u>
Fund Balances:		
Reserved for:		
Future Capital Outlays	450,000	450,000
Designated for Subsequent Years Expenditures	800,000	800,000
Unreserved:		
Designated for:		
Subsequent Year's Expenditures	289,700	289,700
Undesignated, Reported in:		
General Fund	<u>737,347</u>	<u>737,347</u>
Total Fund Balances	<u>2,277,047</u>	<u>2,277,047</u>
Total Liabilities and Fund Balances	<u>\$ 2,516,869</u>	

Amounts reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,493,494 and the accumulated depreciation is \$2,538,663.

3,954,831

Net position of governmental activities

\$ 6,231,878

The accompanying Notes to Financial Statements are an integral part of this statement.

HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA

Exhibit B-2  
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Amount to be Raised by Taxation to Support the District Budget	\$ 1,095,500	304,500	1,400,000
Non-Budgetary Revenues	30,170		30,170
Total Revenues	<u>1,125,670</u>	<u>304,500</u>	<u>1,430,170</u>
Expenditures:			
Operating Appropriations:			
Administration	53,323		53,323
Cost of Operations and Maintenance	761,659		761,659
Length of Service Award Program (LOSAP) - Contribution (P.L. 1997, c. 388)	66,760		66,760
Debt Service:			
Principal		290,000	290,000
Interest		14,500	14,500
Total Expenditures	<u>881,742</u>	<u>304,500</u>	<u>1,186,242</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>243,928</u>	<u>-</u>	<u>243,928</u>

HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2  
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Net Change in Fund Balances	243,928	-	243,928
Fund Balance, January 1	2,033,119		2,033,119
Fund Balance, December 31	<u>\$ 2,277,047</u>	<u>-</u>	<u>2,277,047</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**HOWELL TOWNSHIP FIRE DISTRICT NO. 2 - ADELPHIA**

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**

**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

Total Net Change in Fund Balances - Governmental Funds	\$ 243,928
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(210,515)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	290,000
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.	<u>-</u>
Change in Net Position of Governmental Activities	<u>\$ 323,413</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**RECOMMENDATIONS**

None

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The above summary or synopsis of audit was prepared from the report of audit of the Howell Township Fire District No. 2 - Adelpia for the fiscal year ended December 31, 2014.

This report of audit submitted by Robert A. Hulsart and Company, Registered Municipal Accountants, is on file at the District's office and may be inspected by any interested person.

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President