

WOODBIDGE TOWNSHIP FIRE DISTRICT #4

Audit Report

For the Years Ended December 31, 2017 and 2016

**BART & BART**  
**Certified Public Accountants**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Fire Commissioners  
Woodbridge Township Fire District #4  
Keasbey, NJ 08832

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the various funds of the Woodbridge Township Fire District #4 (the District), as of and for the years ended December 31, 2017 and 2016 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.

**Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the various funds of the Woodbridge Township Fire District #4 at December 31, 2017 and 2016, and the results of operations for the years then ended, on a basis of accounting described in Note #1.

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Board of Fire Commissioners  
Woodbridge Township Fire District #4

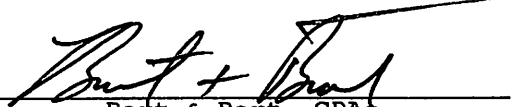
**Other Matters**

**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 June 11, 2018 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

Woodbridge NJ

June 11, 2018

**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  
Woodbridge Township Fire District #4  
Keasbey, NJ 08832

We have audited the financial statements of Woodbridge Township Fire District #4, Woodbridge Township, New Jersey, for the year ended December 31, 2017, and have issued our report thereon dated June 11, 2018. 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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Board of Fire Commissioners  
Woodbridge Township Fire District #4  
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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', is written over a horizontal line. The signature is stylized and includes a long, sweeping flourish that extends to the right.

Bart & Bart, CPA's

Woodbridge, NJ

June 11, 2018

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 4  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2017 and 2016

Unaudited

This discussion and analysis of Woodbridge Township Fire District No. 4's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2017. 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.

Financial Highlights

Key financial highlights for 2017 as compared to 2016 are as follows:

<u>As of December 31,</u>	<u>2017</u>	<u>2016</u>
General Fund Assets	\$ 628,961	\$ 506,857
Capital Assets - Net	1,164,763	1,228,931
Amount to be provided for Debt	<u>395,798</u>	<u>478,009</u>
<b>Total Assets</b>	<b><u>\$ 2,189,522</u></b>	<b><u>\$ 2,213,797</u></b>
<b>Total Current Liabilities</b>	<b><u>20,189</u></b>	<b><u>24,630</u></b>
<b>Total Liabilities</b>	<b><u>\$ 20,189</u></b>	<b><u>\$ 24,630</u></b>
<b>Net Position</b>		
Restricted:		
Invested in Capital Assets	\$ 1,164,763	\$ 1,228,931
Amount to be provided for Debt	395,798	478,009
Unrestricted	<u>608,772</u>	<u>\$ 482,227</u>
<b>Net Position</b>	<b><u>\$ 2,169,333</u></b>	<b><u>\$ 2,189,167</u></b>

Comparative Statement of Revenues, Expenses and Change in Net Position

There was an increase in Operating Revenues from taxation. Tax Revenue increased \$21,524 or 3.2% from the prior year due to a increase in the voter approved Tax Levy. In 2016, the District began to enforcement of the Uniform Fire Safety Act, which will add to revenues in 2018.

Operating Expenses increased \$26,183, or 5.5%, from the prior year. Total Operating Revenues less Total Operating Expenses produced a surplus of \$141,547.

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>
2017	\$71,000,000	\$772,334	1.080
2016	69,215,800	686,314	1.010
2015	69,876,700	664,790	0.832
2014	70,971,100	551,463	0.774
2013	73,794,700	540,055	0.732

For further information, contact Ms. Maria Bucsanszky, E.A., Accountant for the Board of Fire Commissioners, District #4, Keasby, NJ 08832.

Woodbridge Township Fire District #4General FundComparative Statement of Net Position

<u>ASSETS</u>	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash	\$ 628,361	\$ 506,845
Petty Cash Fund	600	12
Prepaid Expense	-	-
Total Assets	<u>\$ 628,961</u>	<u>\$ 506,857</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities and Reserves:		
Accounts Payable	\$ 19,914	\$ 23,448
Deferred Revenue	-	-
Payroll Liability	<u>275</u>	<u>1,182</u>
Total Liabilities and Reserves	<u>20,189</u>	<u>24,630</u>
Net Position:		
Unrestricted	<u>608,772</u>	<u>482,227</u>
Total Net Position	<u>608,772</u>	<u>482,227</u>
Total Liabilities, Reserves and Net Position	<u>\$ 628,961</u>	<u>\$ 506,857</u>

See accompanying accountant's reports and notes to financial statements



Woodbridge Township Fire District #4General FundStatement of Activities and Changes in Net PositionFor the Year Ended December 31, 2017With Comparative Actual Amounts for Period Ended December 31, 2016

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
<u>Revenues and Other Financing Sources:</u>				
Miscellaneous Revenues:				
Uniform Fire Safety Act	36,200	24,105	(12,095)	2,165
Supplemental Fire Services Act	670	1,339	669	669
Earnings on Investments and Deposits	3,000	4,287	1,287	2,272
Miscellaneous Income	1,000	8	(992)	1,477
Sale of Equipment	-	16,500	16,500	-
Total Miscellaneous Revenues	<u>40,870</u>	<u>46,239</u>	<u>5,369</u>	<u>6,583</u>
Fund Balance Appropriated	<u>15,000</u>	<u>15,000</u>	-	<u>10,814</u>
Total Fund Balance & Reserve Appropriated	<u>15,000</u>	<u>15,000</u>	-	<u>10,814</u>
District Taxes	<u>686,314</u>	<u>686,314</u>	-	<u>664,790</u>
Total Revenues and Other Financing Sources	<u>\$ 742,184</u>	<u>\$ 747,553</u>	<u>\$ 5,369</u>	<u>\$ 682,187</u>
<u>Expenditures:</u>				
Current Operating Appropriations	\$ 582,576	\$ 496,398	\$ 86,178	\$ 470,215
Capital Appropriations	<u>159,608</u>	<u>109,608</u>	<u>50,000</u>	<u>109,608</u>
Total Expenditures	<u>742,184</u>	<u>606,006</u>	<u>136,178</u>	<u>579,823</u>
Excess of Revenue over Expenditures	-	141,547	141,547	102,364
Less: Fund Balance Utilized	15,000	(15,000)	-	(10,814)
Transfer to General Fixed Assets Account Group	-	-	-	-
Net Position, Beginning of Year	482,227	482,227	-	381,628
Deferred Revenue Write-Down	-	-	-	9,049
Net Position, End of Year	<u>\$ 467,227</u>	<u>\$ 608,774</u>	<u>\$ 141,517</u>	<u>\$ 482,227</u>

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

## Woodbridge Township Fire District #4

## General Fund

## Statement of Expenditures Compared to Budget

For the Year Ended December 31, 2017

With Comparative Actual Amounts for Period Ended December 31, 2016

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
ADMINISTRATION:				
Salaries and Wages	\$ 50,800	\$ 50,800	\$ -	\$ 50,800
Election	2,000	1,132	868	1,182
Professional Services	27,600	31,150	(3,550)	26,650
Total Administration	<u>\$ 80,400</u>	<u>\$ 83,082</u>	<u>\$ (2,682)</u>	<u>\$ 65,733</u>
COST OF OPERATIONS:				
Salaries, Wages, Fire Protection	\$ 43,482	33,365	\$ 10,117	34,044
Fringe Benefits	15,500	9,885	5,615	8,515
Insurance	60,000	44,535	15,465	71,622
Maintenance and Repairs	147,227	117,589	29,638	94,893
Hydrant Services	52,000	50,390	1,610	50,584
Training and Education	15,272	9,148	6,124	15,613
Utilities	23,800	19,763	4,037	22,214
Fuel	5,000	3,697	1,303	2,900
Supplemental Fire Services Act	670	-	670	-
Length of Service Awards Program	22,000	10,350	11,650	17,250
Joint Purchasing Agreement	3,500	3,250	250	3,500
Dispatch	38,307	38,305	2	38,305
Fire Prevention	-	-	-	-
Radio Maintenance	20,000	20,000	-	15,000
Total Cost of Operations	<u>446,758</u>	<u>360,277</u>	<u>86,481</u>	<u>374,440</u>
Total Current Operating Exps.	<u>527,158</u>	<u>443,359</u>	<u>83,799</u>	<u>453,072</u>
CURRENT EXPENSES OFFSET WITH REVENUE				
Uniform Fire Safety Act (PL 1983, Ch. 383): Other Expenses	55,418	53,039	2,379	17,143
Total Operating Appropriations	<u>\$ 582,576</u>	<u>\$ 496,398</u>	<u>\$ 86,178</u>	<u>\$ 470,215</u>
CAPITAL APPROPRIATIONS:				
Reserve for Future Capital Outlays	50,000	-	50,000	-
Debt Service: Lease	109,608	109,608	-	109,608
Total Capital Appropriations	<u>159,608</u>	<u>109,608</u>	<u>50,000</u>	<u>109,608</u>
Total Appropriations	<u>\$ 742,184</u>	<u>\$ 606,006</u>	<u>\$ 136,178</u>	<u>\$ 579,823</u>

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

Woodbridge Township Fire District #4  
Capital Fund  
Comparative Statement of Net Position  
December 31, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Amount to be Provided for Retirement of Debt	\$ 395,798	\$ 478,009
Total Assets	<u>\$ 395,798</u>	<u>\$ 478,009</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Capital Lease Payable	<u>395,798</u>	<u>478,009</u>
Total Liabilities, Reserves and Net Position	<u>\$ 395,798</u>	<u>\$ 478,009</u>

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

Woodbridge Township Fire District #4  
Capital Fund  
Combining Statement of Amount to be Provided  
For Retirement of Debt

<u>Purpose</u>	<u>Balance</u> <u>12/31/16</u>	<u>Bond Paid</u> <u>By Budget</u> <u>Appropriation</u>	<u>Capital</u> <u>Lease/</u> <u>Bonds</u> <u>Issued</u>	<u>Balance</u> <u>12/31/17</u>
Lease/purchase of Tower Ladder Truck Improvements	\$ 116,745	57,176	-	59,569
Lease/Purchase of Pierce Pumper	<u>361,264</u>	<u>25,033</u>	<u>\$ -</u>	<u>336,231</u>
Total	<u>\$ 478,009</u>	<u>\$ 91,992</u>	<u>\$ -</u>	<u>\$ 395,798</u>

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

Woodbridge Township Fire District #4  
General Fixed Assets Account Group  
Comparative Statement of Net Position  
December 31, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Building:		
Fire House (estimated cost)	\$ 672,834	\$ 672,834
Land	60,000	60,000
Equipment:		
Apparatus	2,360,254	2,620,254
Vehicles	140,654	140,890
Equipment	54,125	54,125
Furniture and Fixtures	39,864	39,864
Trunking System	60,612	60,612
Construction in Progress	-	-
Total Assets	<u>3,388,343</u>	<u>3,648,579</u>
Less Accumulated Depreciation:		
Building	661,878	661,680
Equipment	<u>1,561,702</u>	<u>1,757,968</u>
Total Accumulated Depreciation	<u>2,223,670</u>	<u>2,419,648</u>
Total Net Assets	<u>\$1,164,673</u>	<u>\$1,228,931</u>
 NET POSITION		
Investment in General Fixed Assets	<u>\$1,164,673</u>	<u>\$1,228,931</u>

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

Woodbridge Township Fire District #4  
General Fixed Assets Account Group  
Statement of Activities and Changes in Net Position  
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenues and Other Financing Sources:</u>		
Purchase of Equipment - Net	\$ 33 503	\$ 394,874
Total Revenues and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures:</u>		
Depreciation	\$ 97,761	\$ 98,167
Total Expenditures	<u>97,761</u>	<u>98,167</u>
Surplus (Deficit) of Revenue Over Expenditures	(64,258)	296,707
Net Position, Beginning of Year	<u>1,228,931</u>	<u>932,224</u>
Fund Position, End of Year	<u>\$1,164,673</u>	<u>\$1,228,931</u>

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

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Years Ended December 31, 2017 and 2016

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Woodbridge Township Fire District #4 (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.

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2017, capital assets and the useful lives used for determination of annual depreciation were as follows:

	<u>Balance</u> <u>December 31, 2016</u>	<u>Current Year's</u> <u>Activity</u>		<u>Balance</u> <u>December 31, 2017</u>
		<u>Increase</u>	<u>Decrease</u>	
Depreciable:				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Buildings & Improvs.	672,834	-	-	672,834
Machinery & Equip.	<u>2,915,745</u>	<u>33,503</u>	<u>(293,739)</u>	<u>2,655,509</u>
	3,648,579	33,503	(293,739)	3,388,343
Less: Accumulated Depreciation	<u>2,419,648</u>	<u>97,761</u>	<u>(293,739)</u>	<u>2,223,670</u>
	<u>\$ 1,228,931</u>	<u>\$ (64,258)</u>	<u>\$ -</u>	<u>\$ 1,164,763</u>

	<u>Balance</u> <u>December 31, 2015</u>	<u>Current Year's</u> <u>Activity</u>		<u>Balance</u> <u>December 31, 2016</u>
		<u>Increase</u>	<u>Decrease</u>	
Depreciable:				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Buildings & Improvs.	672,834	-	-	672,834
Machinery & Equip.	<u>2,520,871</u>	<u>394,874</u>	<u>-</u>	<u>2,915,745</u>
	3,253,705	394,874	-	3,648,579
Less: Accumulated Depreciation	<u>2,321,481</u>	<u>98,167</u>	<u>-</u>	<u>2,419,648</u>
	<u>\$ 932,224</u>	<u>\$ 296,707</u>	<u>\$ -</u>	<u>\$ 1,228,931</u>

Depreciation expense for the years ended December 31, 2017 and 2016 were \$ 97,761 and \$ 98,167, respectively.



Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

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, 2016, is as follows:

Checking Account	\$ 628,361
Money Market	-
	<hr/> \$ 628,361

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

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.

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

Note 2. CAPITAL LEASES

In November of 2011, the District entered into a Lease with Option to Purchase Agreement (Agreement) for the \$370,000 estimated cost of the refurbishment of equipment at a Annual Rate of 4.18%. This Agreement was assigned by the Lessor in December 2011.

Following is the District's debt service obligations under this agreement.

<u>Due Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Outstanding Service</u>
Beginning Balance	\$ -	\$ -	\$ -	\$370,000
November, 2012	62,056	46,590	15,466	323,410
November, 2013	62,056	48,538	13,518	274,872
November, 2014	62,056	50,567	11,489	224,305
November, 2015	62,056	52,680	9,376	171,625
November, 2016	62,056	54,882	7,174	116,743
November, 2017	62,056	57,176	4,880	59,567
November, 2018	62,056	59,567	2,489	-

In May of 2015, the District entered into a Lease with Option to Purchase Agreement (Agreement) for the \$494,845 cost of a Pierce Pumper at an Annual Rate of 3.53%.

Following is the District's debt service obligations under this agreement.

<u>Due Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Outstanding Service</u>
Loan 5/14/15	\$ -	\$ -	\$ -	\$ -
May 14, 2015	100,000.00	100,000.00	-	406,690.96
May 14, 2016	47,548.59	33,610.54	13,938.05	372,072.10
May 14, 2017	47,548.59	34,796.99	12,751.60	336,231.20
May 14, 2018	47,548.59	36,025.33	11,523.26	299,125.11
May 14, 2019	47,548.59	37,297.02	10,251.57	260,709.18
May 14, 2020	47,548.59	38,613.61	8,934.98	220,937.16
May 14, 2021	47,548.59	39,976.67	7,571.92	179,761.19
May 14, 2022	47,548.59	41,387.84	6,160.75	137,131.72
May 14, 2023	47,548.59	42,848.83	4,699.76	92,997.42
May 14, 2024	47,548.59	44,361.40	3,187.19	47,305.18
May 14, 2025	47,548.59	45,927.36	1,621.23	-

The District had no other debt or debt service obligations as of December 31, 2016.

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

Note 2. CAPITAL LEASES, Contd

In December, 2017, the District received permission from the New Jersey Department of Consumer Affairs, Local Finance Board, to enter into a lease with option to purchase transaction in an amount not to exceed \$730,000. Based upon this, the District entered into a lease with option to purchase agreement for a new pumper on January 26, 2018. The terms of the agreement called for a down payment of \$100,000 which was paid from the District's reserve fund and the balance of the lease to be paid as follows:

<u>Due Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
Jan 26, 2019	\$ 73,478.00	\$ 51,589.32	\$21,888.68	\$573,122.56
Jan 26, 2020	73,478.00	53,446.53	20,031.47	518,072.96
Jan 26, 2021	73,478.00	55,370.61	18,107.39	461,040.91
Jan 26, 2022	73,478.00	57,363.95	16,114.05	401,956.04
Jan 26, 2023	73,478.00	59,429.05	14,048.95	340,744.12
Jan 26, 2024	73,478.00	61,568.50	11,909.50	277,328.56
Jan 26, 2025	73,478.00	63,784.96	9,693.04	211,630.05
Jan 26, 2026	73,478.00	66,081.22	7,396.78	143,566.40
Jan 26, 2027	73,478.00	68,460.15	5,017.85	73,052.44
Jan 26, 2018	73,478.00	70,924.70	2,553.30	1.00

Woodbridge Township Fire District #4

Notes to Financial Statements

For the Year Ended December 31, 2017 and 2016

Note 3. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The Fire District offers its employees 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. SUBSEQUENT EVENTS

In Management's opinion, there are no other material events subsequent to December 31, 2017, which would require recognition in the financial statements.

Woodbridge Township Fire District #4

ROSTER OF OFFICIALS

Board of Commissioners

Dwayne Jensen	President
Michael Hughes	Commissioner
Martin Klose	Commissioner
Stephen Roman	Treasurer
Robert Pawol	Secretary

Other Officials

Maria Bucsanszky	Accountant
Richard A. Fazzari	Attorney
William Drake	Fire Official

Surety Company

Employee Dishonesty coverage for \$500,000 on each employee and \$25,000 on the Treasurer.

WOODBIDGE TOWNSHIP FIRE DISTRICT #4

Comments and Recommendations

For the Year Ended December 31, 2017 and 2016

None