



Hodulik & Morrison P.A.

Certified Public Accountants Registered Municipal Accountants

**WOODBRIIDGE TOWNSHIP
FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2009**

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Fire Commissioners
Woodbridge Township Fire District No. 8
County of Middlesex
Hopelawn, New Jersey

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodbridge Township Fire District No. 8, Middlesex County, New Jersey (the "District"), exclusive of the District's Length of Service Awards Program included within the fiduciary fund, as of and for the year ended December 31, 2009 which collectively comprise the Woodbridge Township Fire District No. 8's basic financial statements. 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 audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in 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 audit provides a reasonable basis for our opinion.

The financial statements referred to in the first paragraph include the assets and reserves of the District's Length of Service Award Program, which represent 100% of the District's fiduciary fund. As set forth by NJ State Regulation, LOSAP is subject to an independent accountant's review only. Accordingly, the financial statements of the District's Length of Service Awards Program are unaudited and we do not express an opinion on the accompanying LOSAP financial statements included within the fiduciary fund.

In our opinion, exclusive of the District's Length of Service Awards Program, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Woodbridge Township Fire District No. 8 Middlesex County, New Jersey, as of December 31, 2009 and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

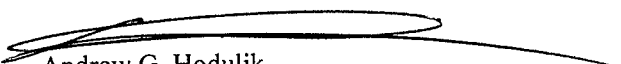
In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2010 on our consideration of the Woodbridge Township Fire District No. 8's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 conjunction with this report in considering the results of our audit.

The management's discussion and analysis section included in this report is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Woodbridge Township Fire District No. 8's basic financial statements. The information included in the supplementary data and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Woodbridge Township Fire District No. 8, County of Middlesex, New Jersey. Such information, exclusive of the District's Length of Service Awards Program, has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants


Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
May 21, 2010

HODULIK & MORRISON, P.A.
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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

Honorable President and Members
of the Board of Fire Commissioners
Woodbridge Township Fire District No. 8
County of Middlesex
Hopelawn, New Jersey

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodbridge Township Fire District No. 8 (the "District"), exclusive of the District's Length of Service Awards Program (Fiduciary Funds) as set forth by NJ State regulation and as noted in the Independent Auditor's Report, as of and for the year ended December 31, 2009, which collectively comprise the Woodbridge Township Fire District No. 8's basic financial statements and have issued our report thereon dated May 21, 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 Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Woodbridge Township Fire District No. 8's 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Woodbridge Township Fire District No. 8'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 misstatements 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. 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 Woodbridge Township Fire District No. 8's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters 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.

We have noted certain matters that we have reported to the management of the Woodbridge Township Fire District No. 8 in the General Comments and Recommendation Section of this report.

This report is intended solely for the information and use of the Board of Fire Commissioners of the Woodbridge Township Fire District No. 8, management, and 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.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
May 21, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**WOODBIDGE TOWNSHIP FIRE DISTRICT No. 8
MIDDLESEX COUNTY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009
(Unaudited)**

The following Management's Discussion and Analysis of the Woodbridge Fire District No. 8's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009. Please read it in conjunction with the District's financial statements and accompanying notes.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No.34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Total assets of governmental activities increased by \$447,489.89 as cash and cash equivalents increased by \$59,011.19, investments decreased by \$8,319.78, receivables increased by \$154.23 and net capital assets increased by \$396,644.25.

Total liabilities increased by \$421,457.74 as accounts payable decreased by \$22,753.24, Payroll liabilities increased by \$1,230.25, accrued interest payable increased by \$74,486.43, and noncurrent liabilities (capital lease obligation) increased by \$368,494.30.

In total, net assets increased \$26,032.15 from 2008.

General revenues and other financing sources/(uses) accounted for \$637,638.78 or 98.62% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$8,941.00 or 1.38% of total revenues of \$646,579.78.

The District had \$571,212.31 in expenses; only \$8,941 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$637,638.78 and fund balance were adequate to provide for these programs.

USING THIS REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Woodbridge Township Fire District No. 8 as financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

DISTRICT-WIDE FINANCIAL STATEMENTS

These statements provide both short-term and long-term information about the District's overall financial status.

FUND FINANCIAL STATEMENTS

Fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	<u>District-wide Statements</u>	<u>Fund Financial Statements Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Instances in which the district administers resources on behalf of someone else
Required financial statements	-Statement of net assets -Statement of activities	-Balance Sheet -Statement of revenues, expenditures, and changes in fund balance	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of assets/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term. The District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions, during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Woodbridge Township Fire District No. 8, the General Fund is by far the most significant fund.

REPORTING THE DISTRICT AS A WHOLE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

While this document contains the large number funds used by the District to provide programs and activities, the view of the District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required programs and other factors.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transaction. The District's governmental funds are the General Fund and Capital Projects Fund.

GOVERNMENTAL FUNDS

The District's activities are reported in governmental fund, which focus on how money flows in and out of those funds and the balance left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-1
Summary of Net Assets

	<u>2009</u>	<u>2008</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Current and Other Assets	\$830,684.73	\$779,839.09	\$50,845.64	6.52%
Capital Assets	1,204,491.98	807,847.73	396,644.25	49.10%
Total Assets	\$2,034,176.71	\$1,587,686.82	\$447,489.89	28.19%
Accounts Payable	\$15,796.08	\$38,549.32	\$(22,753.24)	(59.02)%
Accrued Interest Payable	74,486.43	-0-	74,486.43	N/A
Noncurrent Liabilities	368,494.30	-0-	368,494.30	N/A
Other Liabilities	2,415.14	1,184.89	1,230.25	103.83%
Total Liabilities	\$461,191.95	\$39,734.21	\$421,457.74	
Net Assets:				
Invested in Capital Assets, net of related debt	\$835,997.68	\$807,847.73	\$28,149.95	3.48%
Restricted	331,086.57	399,531.27	(68,444.70)	(17.13)%
Unrestricted	406,900.51	340,573.61	66,326.90	19.48%
Total Net Assets	\$1,573,984.76	\$1,547,952.61	\$26,032.15	1.68%

**Table A-2
Change in Net Assets**

	<u>2009</u>	<u>2008</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Revenues:				
Program Revenues:				
Charges for Services	\$8,941.00	\$25,668.00	\$(16,727.00)	(65.17)%
General Revenues:				
Property Taxes	599,871.00	577,415.00	22,456.00	3.89%
State Formula Aid	861.00	1,035.00	(174.00)	(16.81)%
Interest and Dividends	5,927.09	11,022.66	(5,095.57)	(46.23)%
Other	30,979.69	28,022.02	2,957.67	10.55%
Total Revenues	\$646,579.78	\$643,162.68	\$3,417.10	0.53%
Expenses:				
Administration	\$87,692.22	\$77,778.81	\$9,913.41	12.75%
Cost of Operations and Maintenance	477,940.40	356,755.86	121,184.54	33.97%
Operating Appropriations Offset with Revenues	29,555.07	26,034.82	3,520.25	13.52%
Length of Service Awards Program	22,361.10	34,000.00	(11,638.90)	(34.23)%
Total Expenses	\$617,548.79	\$494,569.49	\$122,979.30	24.87%
Other Adjustments:				
Net Gain (Loss) on Sale of Investments	\$(2,998.84)	\$-0-	\$(2,998.84)	N/A
Long Term Debt	368,494.30	-0-	368,494.30	N/A
Equipment Purchase	(368,494.30)	-0-	(368,494.30)	N/A
Transfers In	525,573.60	-0-	525,573.60	N/A
Transfers Out	(525,573.60)	-0-	(525,573.60)	N/A
Total Other Adjustments	\$(2,998.84)	\$-0-	\$(2,998.84)	
Increase/(Decrease) in Net Assets	\$26,032.15	\$148,593.19	\$(122,561.04)	(82.48)%

GOVERNMENTAL ACTIVITIES

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. Property taxes made up 92.78% of revenue for governmental activities for Woodbridge Township Fire District No. 8 for 2009. The District's total revenues were \$646,579.78 for the year ended December 31, 2009. State aid accounted for another 0.13% of revenue, other miscellaneous revenue accounted for the remaining 7.09%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was place on the District's taxpayers by each of these functions.

Table A-3
Cost of Services vs. Net Cost of Services

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Administration	\$87,692.22	\$87,692.22	\$77,778.81	\$77,778.81
Cost of Operations and Maintenance	477,940.40	477,940.40	356,755.86	356,755.86
Operating Approp. Offset with rev.	29,555.07	29,555.07	26,034.82	26,034.82
Length of Services Award Program	22,361.10	22,361.10	34,000.00	34,000.00
Total	<u>\$617,548.79</u>	<u>\$617,548.79</u>	<u>\$494,569.49</u>	<u>\$494,569.49</u>

Administration includes expenses associated with administrative and financial supervision of the District.

Cost of Operations and Maintenance involve keeping equipment in an effective working condition.

THE DISTRICT'S FUNDS

All governmental funds (i.e., general fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total comprehensive revenues amounted to \$657,463.94 and expenditures were \$571,212.31. The change in fund balance for the year in the general fund was an increase of \$107,242.93 and an decrease of \$20,991.30 in the capital projects fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the comprehensive revenues of the General Fund for the year ended December 31, 2009, and the amount of percentage of increases and decreases in relation to prior year revenues.

**Table A-4
Summary of Revenues-General Fund**

Revenues:	<u>2009</u>	<u>2008</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Local Sources:				
Miscellaneous Revenues	\$36,906.78	\$50,044.68	\$(13,137.90)	(26.25)%
Rev. Offset with Appropriations	8,941.00	25,668.00	(16,727.00)	(65.17)%
Amount to be raised by taxation	449,871.00	427,415.00	22,456.00	5.25%
State Sources	861.00	1,035.00	(174.00)	(16.81)%
Total	\$496,579.78	\$504,162.68	\$(7,582.90)	(1.50)%

The following schedule presents a summary of General Fund expenditures for the year ended December 31, 2009 and the percentage of increases and decreases in relation to prior year amounts.

**Table A-5
Summary of Expenditures-General Fund**

Expenditures	<u>2009</u>	<u>2008</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Administration	\$87,692.22	\$77,778.81	\$9,913.41	12.75%
Cost of Operations and Maintenance	326,983.22	335,981.02	11,993.50	(2.68)%
Operating Approps Offset with Rev.	29,555.07	26,034.82	3,520.25	13.52%
Length of Service Awards Program	22,361.10	34,000.00	(11,638.90)	(34.23)%
Total	\$466,591.61	\$473,794.65	\$(7,203.04)	(1.52)%

CAPITAL ASSETS

At the end of the year 2009, the District had \$1,204,491.98 invested in buildings, building improvements, equipment and vehicles. Table 6 shows 2009 balances compared to 2008.

**Table A-6
Summary of Capital Assets
(Net of Depreciation)**

	<u>2009</u>	<u>2008</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Buildings and Improvements	\$139,541.99	\$148,136.62	\$(8,594.63)	(5.80)%
Vehicles	1,014,723.41	606,339.33	408,384.08	67.35%
Equipment	50,226.58	53,371.78	(3,145.20)	(5.89)%
Total	\$1,204,491.98	\$807,847.73	\$396,644.25	49.10%

LONG-TERM DEBT

The District entered into a lease-purchase debt financing agreement in February of 2009 with Oshkosh Capital, Inc. for the purchase of a 2009 Pierce Velocity Pumper. The total amount of long-term debt obligations was \$473,115.00 while total interest under the lease-purchase agreement amounts to \$49,988.50. Yearly payments, in the amount of \$104,620.70, commence February 16, 2009 and terminate on February 16, 2013. District management will accrue a portion of each yearly payment at December 31st as accrued interest.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide Woodbridge Township residents and taxpayers, and the District's customers, investors and creditors, with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the District Treasurer, Woodbridge Township Fire District No. 8, 127 Loretta Street, Hopelawn, New Jersey, 08861.

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS/ DISTRICT-WIDE

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY**

**GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>ADJUSTMENTS NOTE 1R.</u>	<u>STATEMENT OF NET ASSETS</u>
Cash and Cash Equivalents	\$ 830,388.76	\$	\$ 830,388.76
Accounts Receivable	295.97		295.97
Capital Assets, net of accumulated depreciation		<u>1,204,491.98</u>	<u>1,204,491.98</u>
Total Assets	<u>\$ 830,684.73</u>	<u>\$ 1,204,491.98</u>	<u>2,035,176.71</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Accounts Payable	\$ 15,796.08	\$	15,796.08
Payroll Liabilities Payable	2,415.14		2,415.14
Accrued Interest Payable		74,486.43	74,486.43
Noncurrent Liabilities			
Due Within One Year		85,127.35	85,127.35
Due Beyond One Year		<u>283,366.95</u>	<u>283,366.95</u>
Total Liabilities	<u>18,211.22</u>	<u>442,980.73</u>	<u>461,191.95</u>
Fund Balances/Net Assets:			
Fund Balances:			
Reserved:			
For Uniform Fire Safety Act	23,957.67	(23,957.67)	
For Future Capital Outlay	307,128.90	(307,128.90)	
Unreserved:			
Designated for Subsequent Year's Expenditures	186,114.00	(186,114.00)	
Undesignated	<u>295,272.94</u>	<u>(295,272.94)</u>	
Total Fund Balances	<u>812,473.51</u>	<u>(812,473.51)</u>	
Total Liabilities and Fund Balances	<u>\$ 830,684.73</u>	\$	
Net Assets			
Invested in Capital Assets, net of Related Debt		835,997.68	835,997.68
Restricted for Future Capital Outlay		307,128.90	307,128.90
Restricted		23,957.67	23,957.67
Unrestricted		<u>406,900.51</u>	<u>406,900.51</u>
Total Net Assets		<u>1,573,984.76</u>	<u>\$ 1,573,984.76</u>

Note: See Notes to Financial Statements.

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL	ADJUSTMENTS NOTE 1R.	STATEMENT OF ACTIVITIES
Expenditures/Expenses:						
Fire Protection - Operations	\$ 444,230.51		\$ 104,620.70	\$ 548,851.21	\$ (104,620.70)	\$ 444,230.51
Accrued Interest on Long Term Lease					74,486.43	74,486.43
Length of Service (LOSAP)	22,361.10			22,361.10		22,361.10
Depreciation					76,470.75	76,470.75
Total Expenditures/Expenses	466,591.61		104,620.70	571,212.31	46,336.48	617,548.79
General Revenues:						
District Taxes	449,871.00	150,000.00		599,871.00		599,871.00
Interest and Dividends	5,927.09			5,927.09		5,927.09
Supplemental Fire Services Act Grant	861.00			861.00		861.00
Uniform Fire Safety - Fines & Fees	8,941.00			8,941.00		8,941.00
Uniform Fire Safety - Parking Tickets	3,122.50			3,122.50		3,122.50
Uniform Fire Safety - LEA Rebates	21,286.52			21,286.52		21,286.52
Miscellaneous Fees, Fines, Etc.	6,570.67			6,570.67		6,570.67
Total General Revenues	496,579.78	150,000.00		646,579.78		646,579.78
Excess of Revenues Over Expenditures	29,988.17	150,000.00	(104,620.70)	75,367.47	(46,336.48)	29,030.99
Other Financing Sources (Uses):						
Net Gain (Loss) on Sale of Investments	(2,998.84)			(2,998.84)		(2,998.84)
Long Term Debt					368,494.30	368,494.30
Equipment Purchase					(368,494.30)	(368,494.30)
Transfers	420,952.90	(525,573.60)	104,620.70			
Total Other Financing Sources and Uses	417,954.06	(525,573.60)	104,620.70	(2,998.84)		(2,998.84)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	447,942.23	(375,573.60)		72,368.63	(72,368.63)	
Change In Net Assets					26,032.15	26,032.15
Fund Balances/Net Assets:						
Beginning of Year	364,531.28	375,573.60		740,104.88		1,547,952.61
End of Year	\$ 812,473.51	\$	\$	\$ 812,473.51	\$	\$ 1,573,984.76

Note: See Notes to Financial Statements.

FIDUCIARY FUNDS

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF FIDUCIARY NET ASSETS (UNAUDITED)
FIDUCIARY FUNDS

DECEMBER 31, 2009

	<u>LOSAP</u> <u>(Unaudited)</u>
ASSETS	
Cash and Investments With Fiscal Agents	\$ <u>167,608.00</u>
Total Assets	\$ <u><u>167,608.00</u></u>
NET ASSETS	
Held In Trust For:	
Deferred Compensation	\$ <u>167,608.00</u>
Total Net Assets	\$ <u><u>167,608.00</u></u>

See Accompanying Notes to UNAUDITED LOSAP Financial Statements.

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (UNAUDITED)
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

	<u>LOSAP</u> <u>(Unaudited)</u>
ADDITIONS:	
Contributions:	
District Contributions (Net of Forfeitures)	\$ <u>21,686.10</u>
Total Contributions	<u>21,686.10</u>
Investment Earnings:	
Interest on Investments	<u>5,496.66</u>
Net Investment Earnings	<u>5,496.66</u>
Total Additions	27,182.76
DEDUCTIONS:	
Benefits Paid to Participants and or Beneficiaries/Forfeitures	<u>7,908.43</u>
Changes in Net Assets	19,274.33
Net Assets - Beginning of Year	<u>148,333.67</u>
Net Assets - End of Year	\$ <u><u>167,608.00</u></u>

See Accompanying Notes to UNAUDITED LOSAP Financial Statements.

WOODBRIIDGE TOWNSHIP FIRE DISTRICT No. 8
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Woodbridge Township Fire District No. 8 (the "District") have been prepared in conformity with generally accepted accounting principles (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. The GASB has issued codification of governmental accounting and financial reporting standards dated June 30, 2000. This codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments. This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

The more significant of the District's accounting policies are described below.

A. Reporting Entity:

The District was organized under the laws of the State of New Jersey relating to Fire Districts and established pursuant to N.J.S.A. 40A: 14-70, et seq. The District receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since fire commissioners are elected by the public and have decision-making capabilities within the District to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units, as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's District
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

Basic Financial Statement Presentation

The District-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the Statements of Fiduciary Net Assets at the Fund Financial Statement level.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basic Financial Statement Presentation (cont'd)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational; or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Pursuant to single-program government reporting, the District has elected to combine the following: 1. statement of net assets and balance sheet for governmental funds; 2. statement of activities and revenues, expenditures, and changes in fund balance for governmental funds.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net assets are available. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from these statements. Separate Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even through the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the District-wide statements.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. The District budgets for capital appropriations, which includes reserves for future capital outlays. The amount raised in the budget for these items are included as reserves of fund balance within the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUNDS (Cont'd)

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from the issuance of debt or by reservation of fund balance that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the payment of any debt instruments that have required payment terms and generally span over a multiple-year timeframe.

FIDUCIARY FUNDS

Trust Funds - Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and /or other funds.

C. Basis of Accounting and Measurement Focus:

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

Revenue Recognition - Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual (earned) in the current fiscal period. Other revenue is considered available if collected within one year.

Recording of Expenditures - Expenditures are generally recorded when a liability is incurred. The exception to this general rule is that interest and principal expenditures in the Debt Service Fund are recognized on their due dates.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control:

The District is required by state law to adopt an annual budget for the General Fund. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

E. Reserve for Encumbrances:

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. The encumbered appropriation the District carries over into the next year. For budgetary purposes, an entry will be made at the beginning of the next year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current year-end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey fire districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey fire districts.

Additionally, the District utilizes a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Capital Assets:

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 individual cost or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 40 years for building and building improvements and buildings, and 5 to 25 years for vehicles and equipment.

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences."

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. The noncurrent portion of the liability is reported.

L. Long-term Obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

N. Net Assets:

Net assets represent the difference between the assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by outstanding balance of any long-term used to build or acquire the capital assets. Net assets are reported as restricted in the District-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as capital reserve requirements and proceeds from the issuing of the bonds and leases related to the capital project.

P. Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior period have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Certain reclassifications have been made to the CY 2008 financial statements to conform with the classifications used in CY 2009.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

R. Reconciliation of Adjustments

The following adjustments/reclassifications were required for the combining of the government-wide and fund financial statements in accordance with GASB:

Statement of Net Assets and Governmental Fund Balance Sheet:

	<u>From</u>	<u>Adjustment</u>	<u>To</u>
<u>ASSETS</u>			
Capital Assets, net of			
Accum. depr.	-0-	1,204,491.98	1,204,491.98
<u>LIABILITIES</u>			
Accrued Interest Payable	-0-	74,486.43	74,486.43
Noncurrent Liabilities			
Due Within One Year	-0-	85,127.35	85,127.35
Due Beyond One Year	-0-	283,366.95	283,366.95
<u>FUND BALANCES</u>			
Reserved			
Uniform Fire Safety Act	23,957.67	(23,957.67)	-0-
Future Capital Outlay	307,128.90	(307,128.90)	-0-
Unreserved, Designated	186,114.00	(186,114.00)	-0-
Unreserved	295,272.94	(295,272.94)	-0-
<u>NET ASSETS</u>			
Invested in Capital Assets, net of Related Debt	-0-	835,997.68	835,997.68
Restricted for Future Capital Outlay	-0-	307,128.90	307,128.90
Restricted	-0-	23,957.67	23,957.67
Unrestricted	-0-	385,909.21	385,909.21

Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balance:

	<u>From</u>	<u>Adjustment</u>	<u>To</u>
Opening Appropriation	548,851.21	(104,620.70)	444,230.51
Accrued Interest	-0-	74,486.43	74,486.43
Depreciation	-0-	76,470.75	76,470.75
Other Financing Sources (Uses)			
Long Term Debt	-0-	368,494.30	368,494.30
Equipment Purchase	-0-	(368,494.30)	(368,494.30)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	72,638.63	(72,638.63)	-0-
Change in Net Assets	-0-	26,032.15	26,032.15

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

S. Fire District Taxes:

Upon the proper certification to the tax assessor of the municipality in which the fire district is located, the assessor shall assess the amount of taxes to be raised in support of the Fire District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality shall pay over to the treasurer or custodian of funds of the fire district the taxes assessed in accordance with the following schedule: on or before April 1, an amount equaling 21.25% of all moneys assessed; on or before July 1, an amount equaling 22.5% of all moneys assessed; on or before October 1, an amount equaling 25% of all moneys assessed; and on or before December 31, an amount equaling the difference between the total of all moneys so assessed and the total amount of moneys previously paid over.

T. Recent Accounting Standards:

GASB issued Statement No. 50, "Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27" in May 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" in June 2007. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets.

GASB issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments" in November 2007. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" in June 2008. This Statement requires that the fair value of financial arrangements called "derivatives" or derivative instruments" to be reported in the financial statements of state and local governments.

GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" in February 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied.

GASB issued Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" in March 2009. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

The District prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The District is required to adopt these new standards in connection with the organization's financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

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 by any other agencies of the United States that insures deposits, or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected 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, to secure the deposits of governmental units.

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. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

As of December 31, 2009 and cash and cash equivalents and investments of the District on deposit and on-hand consisted of the following:

Based upon GASB criteria, the District considers change funds; cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of the District's deposits was \$830,388.76 and the bank balance was \$835,282.18. Of the bank balance, \$250,000.00 was covered by federal depository insurance, \$585,282.18 was covered under the provisions of NJGUDPA and \$13,883.00 was held in equity stock valued at fair market value and \$167,608.00 was held by the Trustee for the LOSAP Program (Unaudited).

At December 31, 2009, the District has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the District has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Risk of its cash and investments.

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

- (a) Custodial Credit Risk – The District’s deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name. The deposit risk is that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The District’s investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District and are held by either: the counterparty or the counterparty’s trust department or agent but not in the District’s name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that the District has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the District does not have an investment policy regarding Credit Risk except to the extent outlined under the District’s investment policy.

- (d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

The District does not have a deposit policy for custodial credit risk.

Investments

New Jersey statutes establish the following securities as eligible for the investment of District funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the District or bonds or other obligations of school districts of which the District is a part and within which the school district is located;

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

NOTE 3. LONG TERM DEBT

Long-term debt liability activity for the year ended December 31, 2009 was as follows:

Bonds, Notes and Capital Leases Issued and Outstanding

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2/16/2010	85,127.35	19,493.35	104,620.70
2/16/2011	89,630.58	14,990.12	104,620.70
2/16/2012	94,372.04	10,248.66	104,620.70
2/16/2013	99,364.33	5,256.37	104,620.70

Bonds, Notes and Capital Leases Authorized But Not Issued

As at December 31, 2009 there were no bonds, notes or leases authorized but not issued.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Buildings and Building Improvements	296,219.31				296,219.31
Vehicles	1,068,150.09	473,115.00			1,541,265.09
Equipment	62,904.00				167,524.70
Totals at Historical Cost	1,427,273.40	473,115.00	-0-	-0-	1,900,388.40
Less Accumulated Depreciation For:					
Buildings and Building Improvements	(148,082.69)	(8,594.63)			(156,677.32)
Vehicles	(461,810.76)	(64,730.92)			(526,541.68)
Equipment	(9,532.22)	(3,145.20)			(12,677.42)
Total Accumulated Depreciation	(619,425.67)	(81,201.90)	-0-		(695,896.42)
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	807,847.73	396,644.25	-0-	-0-	1,204,491.98
Government Activities Capital Assets, Net	\$ 807,847.73	396,644.25	-0-	-0-	1,204,491.98

Depreciation expense was charged to functions of the District as follows:
 Cost of Operations and Maintenance \$76,470.75

NOTE 5. PENSION PLANS

Employees of the Woodbridge Township Fire District are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the District who are members of the plan are not available. For CY 2009, the District contributed amounts of \$3,614.24. for PERS.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. These financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. POST-RETIREMENT HEALTH CARE BENEFITS

The District does not provide postretirement health benefits.

NOTE 7. COMPENSATED ABSENCES

The district does not provide for Compensated Absences.

NOTE 8. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) UNAUDITED

The Fire District offers an authorized Length of Service Awards Program (LOSAP) program that has been established in accordance with New Jersey Statute, which can be found beginning at N.J.A.C. 5:30-14.1 and the Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The LOSAP program shall provide for an annual contribution to a tax deferred income account for each eligible volunteer member that satisfies the criteria as adopted by the District and certified accordingly. Points can be earned by attending training courses, drills, meetings and work details, holding elected or appointed positions, participating in department responses and any other miscellaneous activities approved by the chief. For each of the above categories, maximums are established that require the volunteer to participate in multiple events in order to obtain the required points for attainment of the year of service credit

All amounts awarded under the LOSAP program remain the asset of the District and the obligation of the District to participating volunteers shall be contractual only. All money shall be subject to the claims of the District's general creditors until distributed to any or all participants. Emergency volunteers are not able to receive a distribution of funds until the completion of a five-year vesting period. If a volunteer fails to vest or terminates association with the District prior to the completion of the five-year vesting period, the funds placed in the LOSAP account on behalf of the volunteer shall revert to the District, not the volunteer.

The District has Selected Lincoln Benefit Life Company as the plan provider and VFIS as plan administrator. The contractor shall post a bond of not less than 100 percent of the amount of funds managed by the contractor and will provide evidence of appropriate liability insurance and errors and omissions insurance. The District shall have a review of the contractor administered LOSAP program as part of the annual audit. The review of the plan shall be made in accordance with the Statement of Standards for Accounting and Review Services issue by the American Institute of Certified Public Accountants.

As of December 31, 2009 the District's LOSAP Program had assets of \$167,608.00.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, workers compensation, and surety bond coverage. Insurance coverage was maintained in amounts consistent with prior years.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10. FUND BALANCE APPROPRIATED

General Fund - Of the \$791,482.21 total General Fund fund balance at December 31, 2009, \$186,114.00 has been appropriated and included as anticipated revenue for the year ending December 31, 2009, \$23,957.67 has been reserved for the Uniform Fire Safety Act, \$307,128.90 has been reserved for Future Capital Outlays, and the remaining \$274,281.64 is reported as unreserved and undesignated.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Federal and State Assistance Programs

The District participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2009, the District does not believe that any material liabilities will result from such audits.

Contingencies – Economic Dependency

The District receives a substantial amount of its support from local and state governments (pass-through). In the event of significant reductions in the levels of this support, the District's ability to provide services at current levels may adversely be effected

Contingencies – Pending Litigation

As of the date of this report there is no litigation pending which, if decided adversely to the District would have a material financial impact on the District.

NOTE 12. PENDING LITIGATION

As at the date of this report, the Fire District's legal counsel is unaware of any litigation pending.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
(BUDGETARY BASIS - GENERAL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 BUDGET	TRANSFERS	FINAL BUDGET	2009 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Miscellaneous Anticipated Revenues:					
Surplus	\$ 11,200.00	\$	\$ 11,200.00	\$ 11,200.00	\$
Fines & Fees	22,000.00		22,000.00	8,941.00	(13,059.00)
Interest on Investments and Deposits	2,000.00		2,000.00	5,927.09	3,927.09
LEA Rebates				21,286.52	21,286.52
Parking Tickets				3,122.50	3,122.50
Gain (Loss) on Sale of Investments				(2,998.84)	(2,998.84)
Other Miscellaneous Fees, Fines, Etc.				6,570.67	6,570.67
Total Miscellaneous Anticipated Revenues	35,200.00		35,200.00	54,048.94	18,848.94
Operating Grant					
Supplemental Fire Services Act (P.L. 1985, Ch. 295)	1,035.00		1,035.00	861.00	(174.00)
Total Operating Grant Revenue	1,035.00		1,035.00	861.00	(174.00)
Amount to be Raised by Taxation:					
District Taxes	599,871.00		599,871.00	599,871.00	
Total Amount to be Raised by Taxation	599,871.00		599,871.00	599,871.00	
Total Revenues	636,106.00		636,106.00	654,780.94	18,674.94
Expenditures:					
Operating Appropriations:					
Administration					
Salaries and Wages					
Commissioners	31,750.00		31,750.00	31,750.00	
Custodian	9,000.00		9,000.00	7,670.00	1,330.00
Total Administration Salaries and Wages	40,750.00		40,750.00	39,420.00	1,330.00
Administration					
Other Expenses					
Professional Services	24,000.00	(2,000.00)	22,000.00	20,178.00	1,822.00
Office Expenses	6,000.00	300.00	6,300.00	6,291.32	8.68
Election	1,250.00	(300.00)	950.00	820.37	129.63
Contracted Services	21,200.00	(1,935.00)	19,265.00	18,662.00	603.00
Other Administrative Expenses	550.00	(458.00)	92.00	92.40	(0.40)
Contingent	1,200.00	1,200.00	2,400.00	2,228.13	171.87
Total Administration Other Expenses	54,200.00	(3,193.00)	51,007.00	48,272.22	2,734.78
Total Administration	94,950.00	(3,193.00)	91,757.00	87,692.22	4,064.78
Operating Appropriations - Offset by Revenues					
Salaries and Wages					
Fire Inspector	19,200.00		19,200.00	19,166.68	
Total Operating Appropriations - Offset with Revenues - Salaries and Wages	19,200.00		19,200.00	19,166.68	
Operating Appropriations - Offset by Revenues					
Other Expenses	7,250.00	4,000.00	11,250.00	10,388.39	861.61
Total Operating Appropriations - Offset with Revenues - Other Expenses	7,250.00	4,000.00	11,250.00	10,388.39	861.61
Fringe Benefits	19,606.00	(9,990.00)	9,616.00	9,560.00	56.00

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
(BUDGETARY BASIS- GENERAL FUND)
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 BUDGET	TRANSFERS	FINAL BUDGET	2009 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Costs of Operations and Maintenance					
Other Expenses					
Insurance	58,000.00	(17,000.00)	41,000.00	40,586.50	413.50
Fire Hydrant Services	60,500.00	(3,000.00)	57,500.00	57,296.16	203.84
Joint Purchasing Agreements	40,000.00	5,100.00	45,100.00	36,070.98	9,029.02
Maintenance & Repairs	51,500.00	(3,417.00)	48,083.00	40,430.09	7,652.91
Unfunded Mandates	15,400.00	17,300.00	32,700.00	29,197.71	3,502.29
Utilities	22,000.00		22,000.00	21,583.01	416.99
Fire Service Protection Agreement	23,000.00		23,000.00	23,000.00	
Training and Education	14,500.00		14,500.00	12,307.23	2,192.77
Equipment	26,200.00	10,200.00	36,400.00	56,951.54	(20,551.54)
Total Costs of Operations and Maintenance					
Other Expenses	311,100.00	9,183.00	320,283.00	317,423.22	2,859.78
Total Operating Appropriations	452,106.00		452,106.00	444,230.51	7,842.17
Length of Service Award Program (LOSAP)	34,000.00		34,000.00	22,361.10	11,638.90
Capital Appropriations:					
Capital Lease Obligation - 2009				104,620.70	(104,620.70)
Reserve for Future Capital Outlays	150,000.00		150,000.00		150,000.00
Total Capital Appropriations	150,000.00		150,000.00	104,620.70	45,379.30
Total Expenditures	\$ 636,106.00	\$	\$ 636,106.00	\$ 571,212.31	\$ 64,860.37
Budgetary Revenues Over Expenses				\$ 83,568.63	83,535.31

Reconciliation of Budgetary Basis to GAAP Reporting Basis:

Budgetary Revenues Over Expenses	\$ 83,568.63
Adjustments to Budgetary Basis:	
Fund Balance Appropriated	(11,200.00)
Total Adjustments	(11,200.00)
Excess of Revenues Over Expenditures (Exhibit - A-2)	\$ 72,368.63

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

SUPPLEMENTAL COMBINING SCHEDULE OF CAPITAL PROJECTS FUND
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

	<u>FUTURE CAPITAL OUTLAYS</u>	<u>TOTAL</u>
Revenues:		
Amount to be Raised by Taxtion	\$ <u>150,000.00</u>	\$ <u>150,000.00</u>
Total Revenues	<u>150,000.00</u>	<u>150,000.00</u>
Expenditures:		
Capital Outlay	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Excess of Revenues Over (Under) Expenditures	<u>150,000.00</u>	<u>150,000.00</u>
Other Financing Sources (Uses):		
Operating Transfers In	0.00	0.00
Operating Transfers Out	<u>(525,573.60)</u>	<u>(525,573.60)</u>
Total Other Financing Sources (Uses)	<u>(525,573.60)</u>	<u>(525,573.60)</u>
Change in Net Assets	(375,573.60)	(375,573.60)
Fund Balances at Beginning of Year	<u>375,573.60</u>	<u>375,573.60</u>
Fund Balances at End of Year	\$ <u><u>0.00</u></u>	\$ <u><u>0.00</u></u>

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

SUPPLEMENTAL SCHEDULE OF STATISTICAL INFORMATION

Property Tax Levies

The following is a tabulation of District Assessed Valuations, Tax Levies and Property Tax Rates Per \$100 of Assessed Valuations for current and the preceding two years:

<u>Year Ended</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rate Per \$100 Assessment</u>
December 31, 2009	\$94,233,000.00	\$591,783.24	\$0.628
December 31, 2008	\$95,088,400.00	\$577,415.00	\$0.599
December 31, 2007	\$95,795,300.00	\$556,215.00	\$0.573

Unreserved Fund Balance

The following is a tabulation of District Unreserved Fund Balance at year end and the amount included as anticipated revenue in the subsequent year budget for the current and preceding two years:

<u>Year Ended</u>	<u>Unreserved General Fund Balance</u>	<u>Utilized Subsequent Budget</u>
December 31, 2009	\$261,702.54	\$186,114.00
December 31, 2008	\$340,573.61	\$11,200.00
December 31, 2007	\$303,838.00	\$30,000.00

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 8
MIDDLESEX COUNTY, NEW JERSEY

OFFICIALS IN OFFICE
AS AT DECEMBER 31, 2009

The following officials were in office as at December 31, 2009:

Board of Fire Commissioners:

Title

Kevin Petz	Commissioner, President
Michael Solovey	Commissioner, Vice President
Dennis Petrick	Commissioner, Treasurer
Thomas Mayoros	Commissioner, Secretary
Robert Gillespie	Commissioner, Financial Secretary

Other Officials:

Richard M. Braslow, Esq.	Attorney
John Ur	Accountant
Bruce Turcotte	Administrator/Clerk

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT No. 8
MIDDLESEX COUNTY, NEW JERSEY**

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2009**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Woodbridge Township Fire District No. 8, Middlesex County, New Jersey, for the year ended December 31, 2009 has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Woodbridge Township Fire District No. 8, Middlesex County, New Jersey.

The audit did not and could not determine the character of services rendered for which payment has been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. Cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Woodbridge Township Fire District #8, County of Middlesex, New Jersey as of and for the fiscal year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A deficiency 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 misstatements on a timely basis.

A significant deficiency is a deficiency, or 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.

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 and corrected on a timely basis.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd)

With respect to the reporting of internal control matters, Statement on Auditing Standards No. 115 requires that only significant deficiencies and material weaknesses need be reported in writing to management and those charged with governance.

The deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the District's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated May 28, 2010 on the financial statements of the Woodbridge Township Fire District No. 8. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Over Financial Reporting - Deficiencies

Budgetary Accounting Controls

The District commenced the process of acquiring an anticipated capital asset during the calendar year 2008. As a result, the budget process initiated for CY 2009 failed to properly budget for debt service requirements on the capital lease agreement executed for the funding of the acquisition of the capital asset. The acquisition of a capital asset was completed in February of 2009, with the district entering into a capital lease obligation. The first payment of this capital lease was made in February of 2009 with no corresponding budgeted debt service. As per statutory regulations and requirements, all required debt service of the District should be properly budgeted for in the Annual Budget.

Canceled Checks

The current arrangement with the District's financial institution provided for photocopies of the canceled checks to be included in the monthly bank statements, rather than the original individual checks. The manner in which the photocopies were presented did not allow for a review of the endorsements on the back of each respective check.

Segregation of Duties

Conditions exist whereby the same person may maintain the bookkeeping (receipts & disbursements) and cash management functions of the District.

This condition is the result of multiple tasks performed by the same individual engaged by the District.

GENERAL COMMENTS

OTHER MATTERS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$21,000.00 except by contract or agreement."

The Commissioners of the Woodbridge Township Fire District No. 8 have the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 during the year. Where question arises as to whether any contract or agreement might result in violation of this statute, the District Counsel's opinion should be sought before a commitment is made.

Purchases were also made through state approved vendors for various items available which were permitted under the status.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Any interpretation as to possible violation of N.J.S.A. 40A:11 and N.J.A.C. 5:30-14 would be in the province of the General Counsel.

Insurance Coverage

Insurance policies in force are on file at the Fire District office. No attempt was made to determine the adequacy of coverage as part of this report. Adequacy of coverage is the responsibility of the District.

Compliance with New Jersey Administrative Code

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives", as codified in the New Jersey Administrative Code, as follows:

N.J.A.C. 5:30 – 5.2 - Encumbrance Accounting: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment.

We suggest that the District implement and utilize an encumbrance accounting system as part of its budgetary accounting system to enhance budgetary controls.

GENERAL COMMENTS

OTHER MATTERS (CONT'D)

Compliance with New Jersey Administration Codes (Cont'd)

N.J.A.C. 5:30 – 5.6 - Fixed Asset Accounting: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. The District is in compliance with this directive.

We recommend that the District develop procedures with respect to the Capital Fixed Asset Accounting and Reporting System, including recording of capital asset acquisitions, disposals, transfers, and recording of depreciation.

We also recommend that the District maintain a detailed capital asset subsidiary ledger and be reconciled periodically with the general ledger control accounts for capital fixed assets.

N.J.A.C. 5:30 – 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the General Fund.

The District maintains a General Ledger Accounting and Reporting System for its governmental funds for compliance, however we suggest that the General Ledger Accounting and Reporting System be complete in all respects.

Payment of Claims

Claims were examined on a test basis for the year under review and exceptions were noted with respect to signatures for officers' certification, claimant, and receiving and lack of invoice or backup. The voucher document does not provide for availability of funds certification

We suggest that the District review the voucher package and process in order to determine full compliance.

Further, upon examination of claims on a test basis, it was noted that, according to District's official minutes that bill list payment was made prior to official authorization with subsequent Board ratification of bill lists submitted.

We suggest that the District review the claims payment process to ensure that payments are remitted subsequent to official authorization. It is suggested that the District review its claims procedures and the billing procedures of its vendors.

GENERAL COMMENTS

OTHER MATTERS (CONT'D)

Finance Department

Finding(s):

Investment activity was not accounted for in the General Ledger Accounting and Reporting System. We suggest that investment activity be accounted for in a complete and timely manner in the General Ledger Accounting and Reporting System.

The 2009 budgetary process commenced during the CY 2008 and omitted debt service requirements for principal amounts due for capital lease obligations. However, debt service was included as a component of Reserve for Future Capital Outlay amounts reserved for CY 2009.

During the audit, we noted the date of receipt of goods or services was not always determinable. We suggest that the District maintain documentation evidence noting the date of receipt of goods and service to enhance the recording of account payable with the General Ledger Accounting and Reporting System.

Recommendation:

That the statutory budgetary process and procedures be complete in all respects, and be performed in compliance with the state budgetary statutes and regulations.

Implementation of Governmental Accounting Standards Board (GASB) Statement No. 45

GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" issued by the Governmental Accounting Standards Board requires implementation in three phases beginning with phase 1 governments applying the requirements of the Statement in financial statements for periods beginning after December 15, 2006.

We suggest that District review GASB Statement No. 45 in order to ensure compliance in all respects.

Internal Control Documentation

The District should commence the process of documenting its internal controls. This course of action will serve the purpose of meeting certain requirements as set forth by the Statement on Auditing Standards 115. We suggest the District commence this process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance.

RECOMMENDATION(S)

We recommend:

That the District develop procedures with respect to the Capital Fixed Asset Accounting and Reporting System, including recording of capital asset acquisitions, disposals, transfers, and recording of depreciation.

That the District maintain a detailed capital asset subsidiary ledger and be reconciled periodically with the general ledger control accounts for capital fixed assets.

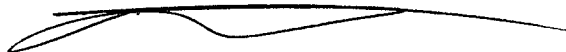
That the statutory budgetary process and procedures be complete in all respects, and be performed in compliance with the state budgetary statutes and regulations.

ACKNOWLEDGMENT

During the course of our engagement we received the complete cooperation of the various officials and employees of the District, and the courtesies extended to us were greatly appreciated.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406