BUENA VISTA TOWNSHIP
FIRE DISTRICT NO. 2

REPORT OF AUDIT

YEAR ENDED DECEMBER 31, 2017

BUENA VISTA TOWNSHIP
FIRE DISTRICT NO. 2

REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	1.
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	3.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	5.
Basic Financial Statements	
District Wide Financial Statements	
Statement of Net Position	9.
Statement of Activities	10.
Fund Financial Statements	
Governmental Funds	
Balance Sheet	11.
Reconciliation of the Statement of Governmental Fund Balance Sheet to Government-Wide Statement of Net Position	12.
Statement of Revenues, Expenditures and Changes in Fund Balances	13.
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14.
Notes to Financial Statements	15.
Required Supplementary Information – Part II	
Budgetary Comparison Schedule	
General Fund	26.
Special Revenue Fund	28.
Notes to the Required Supplementary Information	
Bugetetary Comparison Schedule – Note to RSI	29.

BUENA VISTA TOWNSHIP
FIRE DISTRICT NO. 2

REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	PAGE
OTHER SUPPLEMENTARY INFORMATION	
Capital Projects Fund	
Schedule of Project Revenues, Expenditures and Changes in Fund Balances	30.
Long Term Debt	
Schedule of Notes Payable	31.
Budgetary Comparison Schedule – Debt Service Fund	32.
Findings and Recommendations	
Schedule of Findings and Recommendations	33.
Summary Schedule of Prior Year Audit Findings and Questioned Costs As Prepared by Management	34.
APPRECIATION	35.

FINANCIAL SECTION

PREZIOSI NICHOLSON & ASSOCIATES

Professional Association

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners
Township of Buena Vista
Fire District No. 2
Buena Vista, New Jersey

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Buena Vista Fire District No. 2, in the County of Atlantic, State of New Jersey as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with requirements as prescribed by the Bureau of Authority Regulation, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Buena Vista Fire District No. 2, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Buena Vista Fire District No. 2's basic financial statements. The related major fund supporting statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules previously referred to are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the Township of Buena Vista Fire District No.2'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Buena Vista Fire District No. 2's internal control over financial reporting and compliance.

PREZIOSI · NICHOLSON & ASSOCIATES

Cheryl L. Nicholson
Certified Public Accountant

Millville, NJ
June 28, 2018

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

INDEPENDENT AUDITORS' REPORT

To the Board of Fire Commissioners
Township of Buena Vista
Fire District No. 2
Buena Vista, New Jersey

We have audited, in accordance with the 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 the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities and each major fund of the Township of Buena Vista Fire District No. 2, in the County of Atlantic, State of New Jersey as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township of Buena Vista Fire District No. 2's basic financial statements, and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Buena Vista Fire District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Buena Vista Fire District No. 2's financial statements are free from 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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affaris, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards,* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affaris, State of New Jersey in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PREZIOSI • NICHOLSON & ASSOCIATES

Cheryl L. Nicholson
Certified Public Accountant

Millville, NJ
June 28, 2018

REQUIRED SUPPLEMENTAL INFORMATION
Part I

BUENA VISTA TOWNSHIP
FIRE DISTRICT NO. 2

Management's Discussion and Analysis
Year Ended December 31, 2017
(Unaudited)

As management of the Township of Buena Vista Fire District No. 2 (Fire District) we offer readers of the Fire District's financial statements this narrative overview and analysis of the financial activities of the Fire District for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Fire District's financial performance as a whole; readers should also review the information furnished in the notes to the basic financial statements to enhance their understanding of the Fire District's financial performance.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year.

Key financial highlights for 2017 are as follows:

- In total, net position increased by $51,407, and resulted in ending net position of $1,221,301, or an increase of 4.3 percent.
- Total revenues for the governmental activity were $372,890.
- Total spending for the governmental activity was $321,483 for the year.
- The District did not incur any capital outlay.
- The District reserved $75,000 for future capital expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Fire District's basic financial statements. The Fire District's basic financial statements comprise of three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

District-wide Financial Statements

The district-wide financial statements are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the Fire District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Fire District is improving or deteriorating.

The Statement of Activities presents information showing how the Fire District's net position changed during the most recent year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the Fire District that are principally supported by taxes and intergovernmental revenues (governmental activities). The activity of the Fire District includes firefighting services which are provided to the citizens of the Township of Buena Vista.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. The Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fire District constitute one fund type, governmental funds.

Governmental Funds

All of the Fire District's activities are reported in governmental funds, which focuses on how money flows into and out of those funds and the balance left at year-end that is available for spending. 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 services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's fire-fighting operations.

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.

District-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position.

Buena Vista Township
Fire District No. 2
Net Position
December 31,

	2017	2016
Current and Other Assets	$ 452,464	$ 441,651
Capital Assets	2,551,815	2,627,139
Total Assets	3,004,279	3,068,790
Long-term Liabilities Outstanding	1,749,876	1,845,425
Other Liabilities	33,102	53,471
Total Liabilities	1,782,978	1,898,896
Net Position		
Invested in Capital Assets, Net of Related Debt	801,939	781,714
Restricted	268,002	193,002
Unrestricted	151,360	195,178
Total Net Position	$ 1,221,301	$ 1,169,894

Management's Discussion and Analysis
Year Ended December 31, 2017
(Unaudited)

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Key elements of the increase in governmental activities are as follows:

Buena Vista Township
Fire District No. 2
Statement of Activities
For the Years Ended December 31,

	2017	2016
Expenses:		
Operating Appropriations		
Administration	$ 20,631	$ 17,923
Cost of Operations and Maintenance	89,239	86,818
Operating Appropriations	20,000	20,000
Length of Service Award Program	20,000	40,000
Unallocated Depreciation	109,642	117,839
Interest of Long-Term Debt	61,970	64,870
Total Program Services	321,483	347,450
General Revenue:		
Taxes		
Levied for General Purposes	174,405	174,405
Levied for Debt Service	157,520	157,520
State Aid Unrestricted		
Unrestricted Investment Income	312	688
Miscellaneous Income	40,653	20,388
Total General Revenues	372,890	353,001
Increase (Decrease) in Net Position	51,407	5,551
Net Position, January 1	1,169,894	1,164,343
Net Position, December 31	$ 1,221,301	$ 1,169,894

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The actual expenditures of the general fund were $149,870, which is below the original budget estimate of $166,980.

Capital Assets

The Fire District's investment in capital assets for its governmental activities as of December 31, 2017 amounts to $2,551,815 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and apparatus, and equipment. The increase in capital assets is due to the new firehouse. More detailed information about the District's capital assets is presented in the notes to financial statements.

Township of Buena Vista Township
Fire District No. 2
Capital Assets
(Net of Accumulated Depreciation)
December 31,

	2017	2016
Land	$ 270,293	$ 270,293
Building and Improvements	1,712,934	1,766,546
Vehicles and Apparatus	500,202	510,442
Equipment	68,386	79,858
Total	$ 2,551,815	$ 2,627,139

Debt Administration

The Fire District has a note in the amount of $1,568,880 from the United States Department of Agriculture – Rural Development. Note proceeds were used for the construction of the new firehouse. The Fire District also has a note for $180,995 for the purchase of fire fighting apparatus.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to:

Buena Vista Township Fire District No. 2
PO Box 703
Buena, NJ 08310

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Statement of Net Position
December 31, 2017

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 101,481
Accounts Receivable	82,981
Construction Fees Receivable	
Restricted Assets:	
Cash Capital Reserve	268,002
Capital Assets; net of accumulated depreciation	2,551,815
Total Assets	$ 3,004,279
LIABILITIES	
Accounts Payable	$ 33,102
Noncurrent Liabilities:	
Due within One Year	98,518
Due beyond One Year	1,651,358
Total Liabilities	$ 1,782,978
NET POSITION	
Investment in Capital Assets; net of related debt	$ 801,939
Restricted	
Capital Projects	268,002
Other	
Unrestricted	151,360
Total Net Position	$ 1,221,301

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

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Statement of Activities
Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE CHARGES FOR SERVICES	PROGRAM REVENUE OPERATING GRANTS	NET REVENUES (EXPENSES) GOVERNMENTAL ACTIVITIES
Governmental Activities				
Administrative	$ 20,631	$ -	$ -	$ (20,631)
Operating and Maintenance	89,239			(89,239)
Length of Service Award	20,000			(20,000)
Appropriation for Rescue Squad	20,000			(20,000)
Interest on Long-Term Debt	61,970			(61,970)
Depreciation	109,642			(109,642)
Total Governmental Activities	$ 321,483	$ -	$ -	(321,483)
General Revenues				
Local Tax Levy:				
Levied for General Purposes				174,405
Levied for Debt Service				157,520
Interest Earned				312
Rental Income				6,875
Miscellaneous				33,778
Transfers				
Total General Revenues				372,890
Change in Net Position				51,407
Net Position; January 1				1,169,894
Net Position; December 31				$ 1,221,301

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

FUND FINANCIAL STATEMENTS

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Governmental Funds
Balance Sheet
December 31, 2017

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS					
Cash and Cash Equivalents	$ 101,481	$ -	$ 268,002	$ -	$ 369,483
Accounts Receivable	82,981				82,981
Construction Fees Receivable					-
Total Assets	$ 184,462	$ -	$ 268,002	$ -	$ 452,464
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 33,102	$ -	$ -	$ -	$ 33,102
Total Liabilities	33,102	-	-	-	33,102
Fund Balances					
Nonspendable					-
Restricted					
Capital Projects			268,002		268,002
Assigned					
Subsequent Year's Expenditures	65,200				65,200
Unassigned	86,160				86,160
Total Fund Balances	151,360	-	268,002	-	419,362
Total Liabilities and Fund Balances	$ 184,462	$ -	$ 268,002	$ -	$ 452,464

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

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Reconciliation of the Statement of the Governmental Fund Balance Sheet
to the District - Wide Statement of Net Position
December 31, 2017

Total Fund Balances Governmental Funds	$	419,362
Amounts Reported for Governmental Activity in the Statement of Activities are different because:		
Capital assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet		2,551,815
Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet		(1,749,876)
Total Net Position Governmental Activities	$	1,221,301

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

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended December 31, 2017

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
REVENUES					
Local Revenues					
Local Tax Levy	$ 174,405	$ -	$ -	$ 157,520	$ 331,925
Interest on Investments	312				312
Rental Income	6,875				6,875
Miscellaneous	28,233				28,233
Total Local Revenues	209,825	-	-	157,520	367,345
Federal and State					
State Revenues	5,545				5,545
Total Federal and State	5,545	-	-	-	5,545
Total Revenues	215,370	-	-	157,520	372,890
EXPENDITURES					
Administrative	20,631				20,631
Operating and Maintenance	89,239				89,239
Length of Service Award	20,000				20,000
Appropriation for Duly Incorporated Rescue Squad	20,000				20,000
Capital Outlay	34,318				34,318
Debt Service				157,520	157,520
Total Expenditures	184,188	-	-	157,520	341,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,182	-	-	-	31,182
Other Financing Sources (Uses)					
Capital Reserve	(75,000)		75,000		-
Financied by Debt					-
Net Changes in Fund Balance	(43,818)	-	75,000	-	31,182
Fund Balances; January 1	195,178		193,002		388,180
Fund Balances; December 31	$ 151,360	$ -	$ 268,002	$ -	$ 419,362

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

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017

Net Change in Fund Balance-Governmental Fund	$	65,500
Amounts Reported for Governmental Activity in the Statement of Activities is Different because:		
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation Expense		(109,642)
Capital Outlay Expenditures		-
In the Statement of Activities, only gain on the disposal of capital assets is reported, whereas in Governmental Funds, the proceeds from a sale increases financial resources.		
Proceeds from Sale of Assets		
Governmental Funds report Debt Service payments as expenditures. However, in the Statement of Activities, repayment of principal of indebtedness reduces long-term liabilities in the statement of net assets.		
Principal Payments on Long-Term Debt		95,549
Governmental Funds report Interest on Long-Term Debt when the interest payment is due. However, in the Statement of Activities, interest on Long-Term Debt is accrued.		
Change in Accrued Interest		-
Governmental Funds report Debt Issues as financing sources. However, in the Statement of Activities, debt issues are not revenues.		
Debt Issued		
Change in Net Position of Governmental Activities	$	51,407

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

Fire District No. 2 of the Township of Buena Vista (District) is a political subdivision of the Township of Buena Vista, Atlantic County, New Jersey. A board of five commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire Districts are governed by N.J.S.A. 40A:14-70 et al. and are organized as a taxing authority charged with the responsibility of providing the resources necessary to provide fire fighting services to the residents within its territorial location.

Component Units

In evaluating how to define the District for financial reporting purposes, management has considered all potential units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB No. 39, Determining Whether Certain Organizations are Component Units, and GASB No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion from reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within reporting entity.

Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency

Basis of Presentation

The financial statements of the District conform to generally accepted accounting principles (GAAP) applicable to governmental funds of state and local governments in accordance with provisions of N.J.A.C. 5:31-7-1. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The basic financial statements report using the economic resources management focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The tax revenues are recognized in the year for which they are levied while the grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter, within 60 days of the end of the fiscal year.

District-Wide Statements

The district-wide financial statements include statement of net position and the statement of activities. These statements report financial information of the District as a whole excluding the fiduciary activities. All inter-fund activity has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the District is to not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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 or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories; governmental, proprietary and fiduciary. For the District, only one category of funds exists, that being governmental.

Governmental Fund Types:

General Fund – The General Fund is the general operating fund of the District and is used to account for the inflows and outflows of financial resources. The acquisition of certain capital assets, such as firefighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, such as firehouses and firefighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question of the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflow of resources. Liabilities, and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources and uses of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditure.

Revenues – Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within thirty days of the fiscal year end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute a municipality is required to remit to its District the entire balance of taxes in the amount voted upon or certified, prior to the end of the year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: grants, fees, and rentals.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et al.

The fire commissioners must introduce and approve the annual budget not later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Fire District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

Amendments may be made to the Fire District budget in accordance with N.J.S.A. 40A:14-78.3. The budget may not be amended subsequent to its final adoption and approval.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for approval of the legal voters.

Fire districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the Fire District's basic fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments in U.S. obligations are stated at cost, which approximates market value. Fire Districts are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by Fire Districts.

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with 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 the State of New Jersey.

Public funds are defined as the funds of any governmental unit. 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 of 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Capital Assets

Capital assets purchased are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Fire Trucks	15 years
Fire Fighting Equipment	10 years
Office Equipment	5 years
Furniture and Equipment	5 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts, and N.J.S.A. 40A:14-85 to 87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase fire fighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to $60,000 or 2 percent of the assessed valuation of property, whichever is larger.

Compensated Absences

The District does not have compensated absences.

Encumbrances

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, other than in the special revenue fund, 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.

Open encumbrances in the special revenue fund for which the Fire District has received advances are reflected in the balance sheet as deferred revenues at year end.

Encumbered appropriations carry over into the next year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amount as of the current year end.

Long-Term Obligations

In the government-wide financial statements, debt principal payments of both government and business type-activities are reported as decreases in the balance of the liability in the Statement of Net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Position

Net position represents the difference between the summation of assets and the deferred outflows of resources, and the liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Commissioners. Such formal action consists of an affirmative vote by the Board of Commissioners, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Commissioners removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by either the Board of Commissioners.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other government funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriated, in the following order: committed, assigned, and then unassigned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

All interfund transactions, except quasi external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

Fire District Taxes

Upon the proper certification to the 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 then 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.

NOTE 2 DEPOSITS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. Although the District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. At year-end, the carrying amount of the District's deposits and the balance on bank records was $380,506. At December 31, 2017, all deposits were insured or collateralized by securities held by the District's agent in the District's name.

Restricted Cash and Cash Equivalents

At December 31, 2017, the government-wide financial statements reported cash and cash equivalents. This amount of $268,002 cash and cash equivalents was held for capital projects.

Investments

The District did not maintain any investment at December 31, 2017.

Cash and investments are included on the basic financial statements as follows:

Cash and Cash Equivalents	$ 184,461.
Cash Capital Reserve	268,002.
Total Cash and Investments	$ 452,463.

NOTE 3 RESERVE ACCOUNT

Capital reserve accounts may be established for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. Capital reserve activity for the year ended December 31, 2016 was as follows:

	Beginning Balance 12-31-16	Additions/ (Transfers)	Capital Purchase	Ending Balance 12-31-17
Capital Reserve	$ 193,002.	$ 75,000.	$.	$ 268,002.

NOTE 4 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The District's Length of Service Awards Program (LOSAP) was created by a Resolution pursuant to Section 457(e)(11)(13) of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the Length of Service Awards Program as enacted into federal law in 1997. The plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the District or its creditors.

The District contributed $20,000 to the LOSAP for the year ending December 31, 2017.

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Beginning Balance 12-31-16	Additions	Retirements	Ending Balance 12-31-17
Governmental Activities				
Land	$ 270,293.	$.	$.	$ 270,293.
Buildings and Improvements	1,967,006.	.	.	1,967,006.
Fire Equipment	146,643.	1,709.		148,352.
Fire Vehicles	1,239,506.	32,610.	.	1,272,115.
Total at Historical Cost	3,623,448.	34,319.	.	3,657,766.
Less Accumulated Depreciation	996,309.	109,642.	.	1,105,951.
Capital Assets, Net of Depreciation	$ 2,627,139.	$ (75,324).	$.	$ 2,551,815.

NOTE 6 LONG-TERM OBLIGATIONS

During the year ended December 31, 2017, the following changes occurred in long-term obligations:

	Beginning Balance 12-31-16	Increases	Decreases	Ending Balance 12-31-17
Governmental Activities				
USDA Note Payable	$ 1,237,445.	$.	$ 29,848.	$ 1,207,596.
USDA Note Payable	370,216.	.	8,932.	361,284.
Bank Note Payable	237,764.	.	56,769.	180,995.
Total Notes Payable	$ 1,845,425.	$.	$ 95,549.	$ 1,749,875.

Note Payable - USDA

The United States Department of Agriculture – Rural Development (USRD) purchased on December 5, 2012 the Fire District's bond of $1,750,000 at an annual interest rate of 3.5% for a term of 30 years. The debt service schedule will be non-conforming. Debt service payments are made by the District to the USRD on a semi-annual basis.

Principal and interest due on outstanding note is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 40,149.	$ 54,563.	$ 94,712.
2019	41,567.	53,145.	94,712.
2020	43,035.	51,677.	94,712.
2021	44,554.	50,158.	94,712.
2022	46,127.	48,585.	94,712.
2023-2043	1,353,449.	540,790.	1,894,239.
	$ 1,568,881.	$ 798,918.	$ 2,367,799.

Bank Note Payable

The Fire District entered into a loan agreement with Newfield National Bank for a loan of $400,000 to purchase a fire fighting vehicle. Principal and interest payments of 15,702 are due quarterly and carry an interest rate of 2.750%. The Note is due to mature in September 2020. The balance of the note as of December 31, 2017 was $180,995.

Principal and interest due on outstanding note is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	$ 58,368.	$ 4,439.	$ 62,807.
2019	60,013.	2,794.	62,807.
2020	62,614.	1,070.	63,684.
	$ 180,995.	$ 8,303.	$ 189,298.

NOTE 7 RISK MANAGEMENT

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

The District maintains commercial insurance coverage for liability and property.

NOTE 8 CONTINGENT LIABILITIES

The District is subject to claims and lawsuits which arise primarily in the course of business. The District does not anticipate any losses with respect to such existing or pending claims and lawsuits at December 31, 2017.

NOTE 9 SUBSEQUENT EVENTS

The District evaluated subsequent events through June 28, 2018, the date the financial statements were available to be issued. No events, other than those described in these notes, have occurred that require disclosure or adjustments.

NOTE 10 FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Specific restrictions of the District's fund balance are summarized as follows:

For Future Capital Projects – These funds are restricted for future capital expenditures to be made in future years. When the District desires to utilize these funds in their annual budget, a capital resolution must be passed by the Board of Fire Commissioners prior to any expenditure against a capital appropriation.

ASSIGNED

As stated in Note 1, the assigned fund balance classification represents amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the District's fund balance are summarized as follows:

For Subsequent Year's Expenditures – The District has appropriated and included as anticipated revenue of $65,200 of general fund balance at December 31, 2017.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposed. The District's unassigned fund balance is summarized as follows:

General Fund – As of December 31, 2017, $86,160 of general fund balance was unassigned.

REQUIRED SUPPLEMENTAL INFORMATION
Part II

BUDGETARY COMPARISON SCHEDULES

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes				
Local Tax Levy	$ 174,405	$ 174,405	$ 174,405	$ -
Total Taxes	174,405	174,405	174,405	-
Federal and State				
Supplemental Fire Service			5,545	5,545
Total Federal and State	-	-	5,545	5,545
Miscellaneous Revenue				
Interest Earned	500	500	312	(188)
Miscellaneous Revenue			28,233	28,233
Rental Income	6,875	6,875	6,875	-
Total Miscellaneous Revenue	7,375	7,375	35,420	28,045
Total Revenues	181,780	181,780	215,370	33,590
EXPENDITURES				
Administrative				
Miscellaneous	2,480	2,480	1,544	936
Office Expense	5,000	5,000	4,574	426
Professional Services	15,000	15,000	14,513	487
	22,480	22,480	20,631	1,849
Operating and Maintenance				
Advertising	500	500	141	359
Insurance	20,000	20,000	16,903	3,097
Maintenance and Repair	39,000	39,000	39,879	(879)
Operating Supplies				-
Training and Education	4,000	4,000	2,437	1,563
Uniforms	16,000	16,000	12,118	3,882
Utilities	25,000	25,000	17,762	7,238
	104,500	104,500	89,239	15,261
Appropriations For Duly Incorporated				
Rescue Squad Association	20,000	20,000	20,000	-
	20,000	20,000	20,000	-

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
(Continued from Prior Page)				
LOSAP				
Length of Service Award	20,000	20,000	20,000	-
	20,000	20,000	20,000	-
Capital Outlay				
Capital Expenditures				-
	-	-	-	-
Total Expenditures	166,980	166,980	149,870	17,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,800	14,800	65,500	50,700
Other Financing Sources (Uses)				
Capital Reserves	(75,000)	(75,000)	(75,000)	-
Net Changes in Fund Balance	(60,200)	(60,200)	(9,500)	50,700
Fund Balances; January 1	163,938	163,938	195,178	31,240
Fund Balances; December 31	$ 103,738	$ 103,738	$ 185,678	$ 81,940

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Federal and State Revenue				
FEMA Grant	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Operations and Maintenance				-
Supplies				-
Capital Outlay				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-		-
Other Financing Sources (Uses)				
Operating Transfers - Match		-	-	
Net Changes in Fund Balance	-	-	-	-
Fund Balances; January 1				
Fund Balances; December 31	$ -	$ -	$ -	$ -

TOWNSHIP OF BUENA VISTA FIRE DISTRICT NO. 2
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
Year Ended December 31, 2017

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	GENERAL FUND	SPECIAL REVENUE FUND
Sources / Inflows of Resources		
Actual amounts (budgetary basis) "Revenue" from the Budgetary Comparison Schedule	$ 215,370	$ -
Grant accounting budgetary basis differed from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Total Revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 215,370	$ -
Uses / Outflows of Resources		
Actual amounts (budgetary basis) "Expenditures" from the Budgetary Comparison Schedule	$ 149,870	$ -
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 149,870	$ -

OTHER SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Capital Projects Fund
Schedule of Project Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2017

	BUILDING RESERVE	LAND RESERVE	TOTAL
REVENUES AND OTHER SOURCES			
Operating Transfers			$ -
Total Revenues and Other Financing Sources	-	-	-
EXPENDITURES			
Construction Services			-
Capital Outlay			-
Total Expenditures	0	-	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers		75,000	75,000
Financed by Debt			-
Net Changes in Fund Balance	-	75,000	75,000
Fund Balances; January 1	78,295	114,707	193,002
Fund Balances; December 31	$ 78,295	$ 189,707	$ 268,002

LONG TERM DEBT

TOWNSHIP OF BUENA VISTA FIRE DISTRICT NO. 2
Long-Term Debt
Schedule of Notes Payable
Year Ended December 31, 2017

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE 12-31-2016	ISSUED	RETIRED	BALANCE 12-31-2017
US Department of Agriculture Rural Development Loan	12-05-2012	$ 1,347,000				$ 1,237,445	$ -	$ 29,849	$ 1,207,596
			2018	$ 30,902	3.50%				
			2019	31,993	3.50%				
			2020	33,123	3.50%				
			2021	34,292	3.50%				
			2022-2043	1,077,286	3.50%				
US Department of Agriculture Rural Development Loan	12-05-2012	$ 403,000				370,216	-	8,932	361,284
			2018	$ 9,248	3.50%				
			2019	9,573	3.50%				
			2020	9,912	3.50%				
			2021	10,262	3.50%				
			2022-2043	322,289	3.50%				
Newfield National Bank Equipment Loan	01-01-2014	$ 400,000	2018	$ 58,368	2.75%	237,764		56,769	180,995
			2019	60,013	2.75%				
			2020	62,614	2.75%				
						$ 1,845,425	$ -	$ 95,550	$ 1,749,875

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Debt Service Fund
Budgetary Comparison Schedule
Year Ended December 31, 2017

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes				
Local Tax Levy	$ 157,520	$ 157,520	$ 157,520	$ -
Total Revenues	157,520	157,520	157,520	-
EXPENDITURES				
Debt Service				
Principal	95,549	95,549	95,549	-
Interest	61,971	61,971	61,971	-
Total Expenditures	157,520	157,520	157,520	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Operating Transfers				-
Net Changes in Fund Balance	-	-	-	-
Fund Balances; January 1	-	-	-	-
Fund Balances; December 31	$ -	$ -	$ -	$ -

FINDINGS AND RECOMMENDATIONS

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Schedule of Findings and Recommendations
Year Ended December 31, 2017

SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

BUENA VISTA TOWNSHIP FIRE DISTRICT NO. 2
Summary Schedule of Prior Year Audit Findings and
Questioned Costs as Prepared by Management
Year Ended December 31, 2017

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None

APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

PREZIOSI · NICHOLSON & ASSOCIATES

Cheryl L. Nicholson
Certified Public Accountant