

**FIRE DISTRICT NO. 2 OF THE TOWNSHIP OF MIDDLE
COUNTY OF CAPE MAY**

As required by N.J.S.A. 40A:5A-15, the following is a synopsis of the audit of the financial
statements and supplementary data for the year ended December 31, 2020.

**Statement of Net Position
December 31, 2020**

	December 31, <u>2020</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 535,361
Other receivables	1,201,395
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Total current assets	1,736,756
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Noncurrent assets	
Investments	1,112,994
Investment in length of service award program	599,505
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Total noncurrent assets	1,712,499
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Deferred Charges to Future Taxation:	
Expenditures without Appropriation	434,713
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Total Deferred Charges to Future Taxation	434,713
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Total assets	\$ 3,883,968
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Liabilities, equity and other credits:	
Accounts payable	\$ 5,643
Accrued expenses	1,911
Other payables	1,201,395
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Total liabilities	1,208,949
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Fund balances:	
Restricted for:	
Capital	1,201,395
Investment in length of service award program	599,505
Assigned for:	
Subsequent year's expenditures	35,000
Unassigned, reported in:	
General fund	839,119
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Total fund balance	2,675,019
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Total liabilities and fund balance	\$ 3,883,968
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FIRE DISTRICT NO. 2 OF THE TOWNSHIP OF MIDDLE
Statement of Activities
For the year ended December 31, 2020

December 31,
2020

Revenues:	
Miscellaneous anticipated revenue:	
Investment income - unrestricted cash and investments	\$ 5,699
Investment income - length of service award program	74,728
Other revenue	2,744
Total miscellaneous revenues	83,171
Miscellaneous revenues offset with appropriations:	
Uniform Fire Safety Act revenues:	
Annual registration fee	80,142
Penalties and fines	64,775
Total Uniform Fire Safety Act revenues	144,917
Total miscellaneous revenues offset with appropriations	144,917
Amount raised by taxation to support district budget	714,600
Total anticipated revenues	942,688
Expenditures:	
Operating appropriations:	
Administration:	
Salaries and wages	15,200
Other expenditures	30,955
Total administration	46,155
Cost of operations and maintenance:	
Salaries and wages	39,000
Other expenditures	335,067
Total cost of operations and maintenance	374,067
Operating appropriations offset with revenues:	
Salaries and wages	65,700
Fringe Benefits	7,759
Total operating appropriations offset with revenues	73,459
Length of service award program	875
Total length of service award program	875
Total governmental expenditures	494,556
Excess of revenues over expenditures	448,132
Fund balance, January 1	2,226,887
Fund balance, December 31	\$ 2,675,019

For the year ended December 31, 2020 there were the following recommendations:

- 2020-01: The District does not maintain a complete and accurate general ledger at year end.
- 2020-02: The District does not maintain a complete and accurate capital asset detailed listing.
- 2020-03: The District over expended multiple line item accounts.
- 2020-04: The District should have established a corrective action plan in accordance the NJ Statute 40A5:31-7.6.
- 2020-05: The District's website was not maintained in accordance with NJ Chapter 167C.40A14-70.2.
- 2020-06: The District did not approve a salary ordinance for employees during 2020.
- 2020-07: The District purchased capital assets without proper voter approval.

- 2020-08: It was noted during our audit of the District's Capital Projects Fund, that capital appropriations were overspent by \$434,713. This was due to the District's purchase of capital assets that were not included in the 2020 capital budget.

The above synopsis was prepared from the report of the audit of the Fire District No. 2 of the Township of Middle as of December 31, 2020.

This report of audit, submitted by Holt McNally & Associates, Inc., Certified Public Accountants & Advisors, is on file at the office of the Fire District No. 2 of the Township of Middle, 1120 Route 47 South,

Rio Grande, New Jersey and may be inspected by any interested person.