

**FIRE DISTRICT NO. 3  
TOWNSHIP OF HADDON, NEW JERSEY  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**FIRE DISTRICT NO. 3  
TOWNSHIP OF HADDON, NEW JERSEY**

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**FIRE DISTRICT NO. 3  
TOWNSHIP OF HADDON, NEW JERSEY**

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**FIRE DISTRICT NO. 3  
TOWNSHIP OF HADDON, NEW JERSEY**  
Roster of Officials and Surety Bonds

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**Board of Commissioners**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Surety Bond</u></b>
Joshua Kennedy	President/Chairman	(A)
Edward Kalesse	Treasurer	(A)
Jamie Sensor	Secretary	(A)
Charles Welch	Commissioner	(A)
Mike Bernardin	Commissioner	(A)

(A) All Commissioners handling funds were covered by the Commercial Crime Coverage in the amount of \$1,000,000.00 for each person.

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

Board of Fire Commissioners  
Fire District No. 3  
Township of Haddon  
Oaklyn, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Township of Haddon Fire District No. 3, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2021, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Haddon Fire District No. 3, in the County of Camden, State of New Jersey, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fire District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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 is the responsibility of management and, 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.

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2022 on our consideration of the Township of Haddon Fire District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Township of Haddon Fire District No. 3's 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 the Township of Haddon Fire District No. 3's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
June 1, 2022



**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 AUDITOR'S REPORT**

Board of Fire Commissioners  
Fire District No. 3  
Township of Haddon  
Oaklyn, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with 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 Haddon Fire District No. 3, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements, and have issued our report thereon dated June 1, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Haddon Fire District No. 3's internal control over financial reporting (internal control) as a basis for designing 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 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Haddon Fire District No. 3'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 financial statements. 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 Affairs, State of New Jersey.

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**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 entity'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 Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
June 1, 2022

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited)

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As management of the Township of Haddon Fire District No. 3, we offer readers of the Township of Haddon Fire District No. 3's financial statements this narrative overview and analysis of the financial activities of the Township of Haddon Fire District No. 3 for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Township of Haddon Fire District No. 3's financial performance as a whole; readers should also review the information furnished in the notes to the basic financial statements and financial statements to enhance their understanding of the Township of Haddon Fire District No. 3's financial performance.

### **Financial Highlights**

- The assets of the Township of Haddon Fire District No. 3 exceeded its liabilities at the close of the most recent year by \$151,932.42 (net position).
- As of the close of the current year, the Township of Haddon Fire District No. 3's governmental funds reported combined ending fund balances of \$149,771.27 an increase of \$6,082.40 in comparison with the prior year. Most of the increase was attributable to general operations of the Fire District.
- At the end of the current year, unassigned fund balance for the general fund was \$103,073.86, approximately a 19% decrease from that of the prior year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Township of Haddon Fire District No. 3's basic financial statements. The Township of Haddon Fire District No. 3's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Township of Haddon Fire District No. 3's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Township of Haddon Fire District No. 3's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Haddon Fire District No. 3 is improving or deteriorating.

The Statement of Activities presents information showing how the Township of Haddon Fire District No. 3's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items with cash flows in a prior period (e.g., prepaid expenses).

Both of the government-wide financial statements distinguish functions of the Township of Haddon Fire District No. 3 that are principally supported by taxes and intergovernmental revenues (governmental activities). The activities of the Township of Haddon Fire District No. 3 include providing the necessary resources to fire companies within its territorial location so that they may be able to provide fire fighting services to the residents of the Township of Haddon.

## TOWNSHIP OF HADDON FIRE DISTRICT NO. 3

Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited) (Cont'd)

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**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 activities or objectives. The Township of Haddon Fire District No. 3, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township of Haddon Fire District No. 3 constitute one fund type, governmental funds.

**Governmental Funds.** All of the Township of Haddon Fire District No. 3's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of 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 Township of Haddon Fire District No. 3's general government operations and the basic 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 fire-fighting and emergency medical services operations.

The Township of Haddon Fire District No. 3 maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Township of Haddon Fire District No. 3 adopts an annual budget in accordance with N.J.S.A. 40A:14-78.3. Budgetary comparison schedules have been provided to demonstrate compliance with the budget.

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

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Haddon Fire District No. 3, assets exceeded liabilities by \$151,932.42 at the close of the most recent year.

The Township of Haddon Fire District No. 3's net position consists solely of unrestricted funds. Unrestricted funds are funds in which there exist no limitations imposed on their use either through the enabling legislation adopted by the Fire District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited) (Cont'd)

<b>TOWNSHIP OF HADDON FIRE DISTRICT NO. 3'S NET POSITION</b>		
<b>DECEMBER 31,</b>		
	<u><b>2021</b></u>	<u><b>2020</b></u>
Current and Other Assets	\$ 151,932.42	\$ 147,642.50
Total Assets	<u>151,932.42</u>	<u>147,642.50</u>
Accounts Payable		1,750.00
Total Liabilities		<u>1,750.00</u>
Net Position:		
Unrestricted	<u>\$ 151,932.42</u>	<u>\$ 145,892.50</u>

In total, assets of governmental activities increased by \$4,289.92 due to normal operations.

**Governmental Activities.** 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:

<b>TOWNSHIP OF HADDON FIRE DISTRICT NO. 3'S STATEMENT OF ACTIVITIES</b>		
<b>FOR THE YEARS ENDED DECEMBER 31,</b>		
	<u><b>2021</b></u>	<u><b>2020</b></u>
Expenses:		
Operating Appropriations:		
Administration	\$ 18,144.89	\$ 18,956.78
Cost of Operations and Maintenance	23,264.20	20,000.00
Total Program Expenses	<u>41,409.09</u>	<u>38,956.78</u>
Program Revenues:		
Operating Grants and Contributions		648.00
Net Program Expenses	<u>41,409.09</u>	<u>38,308.78</u>
General Revenues		
Taxes:		
Property Taxes, Levied for General Purposes	47,429.00	47,429.00
Miscellaneous Income	20.01	29.73
Total General Revenues	<u>47,449.01</u>	<u>47,458.73</u>
Change in Net Position	6,039.92	9,149.95
Net Position, January 1	<u>145,892.50</u>	<u>136,742.55</u>
Net Position, December 31	<u>\$ 151,932.42</u>	<u>\$ 145,892.50</u>

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited)

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Property taxes constituted approximately 99.96% of revenues for governmental activities for the Fire District for the year 2021.

Cost of operations and maintenance comprised 56.18% of Fire District expenses, with administration comprising 43.82% of total expenses.

**Financial Analysis of the Government's Funds**

As stated earlier, the Township of Haddon Fire District No. 3 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund.** The focus of the Township of Haddon Fire District No. 3's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township of Haddon Fire District No. 3's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the close of the current year, the Township of Haddon Fire District No. 3's governmental funds reported combined ending fund balances of \$149,771.27, an increase of \$6,082.40 in comparison with the prior year. Most of the increase was attributable to general operations of the Fire District.

Of the combined ending fund balances of \$149,771.27, \$21,697.41 is assigned for subsequent year expenditures, \$25,000.00 is nonspendable as it is prepaid for the Fire District's 2022 fire protection contract and the remaining balance of \$103,073.86 constitutes unassigned fund balance in the general fund.

The general fund is the main operating fund of the Township of Haddon Fire District No. 3. At the end of the current year, unassigned fund balance of the general fund was \$103,073.86.

As mentioned, the general fund balance increased by \$6,082.40 during the current year. This increase was the result of normal operations.

**General Fund Budgetary Highlights**

The final budgetary basis revenue estimate was \$47,429.00. The original budgeted estimate was also \$47,429.00.

During the year 2021, the Township of Haddon Fire District No. 3 budgeted \$47,429.00 for property taxes (local tax levy).

The final budgetary basis expenditure appropriation estimate was \$65,595.00 which also was the original budgeted estimate.

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021  
(Unaudited)

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**Capital Asset and Debt Administration**

**Capital Assets.** The Township of Haddon Fire District No. 3 does not own any capital assets. As previously stated, the Township of Haddon Fire District No. 3 merely provides funding to fire companies within its territorial location (currently, the Westmont Fire Company) so that they may be able to provide fire fighting services to the residents of the Township of Haddon.

**Long-term Debt.** At the end of the current year, the Township of Haddon Fire District No. 3 had no bonded debt, or any other type of outstanding debt.

**Economic Factors and Next Year's Budget**

For the 2021 year, the Township of Haddon Fire District No. 3 was able to sustain its budget through the fire district tax levy, and miscellaneous revenue sources. All of the anticipated revenue is from the local tax levy. The 2022 budget was adopted by the Commissioners at the annual fire district election held on February 19, 2022.

**Requests for Information**

This financial report is designed to provide a general overview of the Township of Haddon Fire District No. 3's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township of Haddon Fire District No. 3, P.O. Box 74, Oaklyn, New Jersey 08107.



## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Statement of Net Position  
December 31, 2021

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ASSETS:	
Cash and Cash Equivalents	\$ 124,771.27
Prepaid Expenses	<u>27,161.15</u>
Total Assets	<u>151,932.42</u>
NET POSITION:	
Unrestricted	<u><u>\$ 151,932.42</u></u>

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

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**

Statement of Activities

For the Year Ended December 31, 2021

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Expenses:	
Operating Appropriations:	
Administration	\$ 18,144.89
Cost of Operations and Maintenance	<u>23,264.20</u>
Total Program Expenses	<u>41,409.09</u>
General Revenues:	
Taxes:	
Property Taxes, Levied for General Purposes	47,429.00
Miscellaneous Income	<u>20.01</u>
Total General Revenues	<u>47,449.01</u>
Change in Net Position	6,039.92
Net Position, January 1	<u>145,892.50</u>
Net Position, December 31	<u><u>\$ 151,932.42</u></u>

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

**FUND FINANCIAL STATEMENTS**

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 124,771.27				\$ 124,771.27
Prepaid Expenses	25,000.00				25,000.00
<b>Total Assets</b>	<b><u>\$ 149,771.27</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 149,771.27</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Fund Balances:</b>					
Nonspendable	\$ 25,000.00				\$ 25,000.00
Assigned:					
Subsequent Year's Expenditures	21,697.41				21,697.41
Unassigned:					
General Fund	103,073.86				103,073.86
<b>Total Fund Balances</b>	<b><u>149,771.27</u></b>				<b><u>149,771.27</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 149,771.27</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	
 Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Payments made to vendors for services that will benefit periods beyond year end that are recorded as expenditures at the time of payment in the governmental funds.					
					<u>\$ 2,161.15</u>
Net position of governmental activities					
					<u>\$ 151,932.42</u>

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

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Amount to be Raised by Taxation to Support the District Budget	\$ 47,429.00				\$ 47,429.00
Non-Budgetary Revenues	<u>20.01</u>				<u>20.01</u>
Total Revenues	<u>47,449.01</u>				<u>47,449.01</u>
EXPENDITURES:					
Operating Appropriations:					
Administration	18,102.41				18,102.41
Cost of Operations and Maintenance	<u>23,264.20</u>				<u>23,264.20</u>
Total Expenditures	<u>41,366.61</u>				<u>41,366.61</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,082.40</u>				<u>6,082.40</u>
Net Change in Fund Balances	6,082.40				6,082.40
Fund Balance, January 1	<u>143,688.87</u>				<u>143,688.87</u>
Fund Balance, December 31	<u><u>\$ 149,771.27</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,771.27</u></u>

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

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2021

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Total Net Change in Fund Balances - Governmental Funds	\$ 6,082.40
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>In the statement of activities, certain operating expenses, e.g., insurance expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the incurred amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the incurred amount the difference is an addition to the reconciliation (+).</p>	
	<u>(42.48)</u>
Change in Net Position of Governmental Activities	<u>\$ 6,039.92</u>

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



**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Haddon Fire District No. 3 (the "Fire District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The Fire District is a political subdivision of the Township of Haddon (the "Township"), Camden County, New Jersey. The Township is comprised of an area of approximately 2.791 square miles. It is bounded by Cherry Hill to the north, Audubon Park, Camden, Collingswood, Gloucester City, and Oaklyn to the west, Mount Ephraim to the south and Haddonfield on the east. As of the 2020 United States Census, the Township's population was 15,407. The Fire District was formed in January of 1956 through the adoption of a Township ordinance. 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 firefighting services to the residents within its territorial location. With no fire company within its jurisdiction, the Fire District contracts for fire protection services with the Westmont Fire Company.

The primary criterion for including activities within the Fire District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Fire District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the Fire District over which the Board of Commissioners exercises operating control.

**Government-wide and Fund Financial Statements**

The Fire District's basic financial statements consist of government-wide statements and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. The Fire District's operations consist of governmental activities, which normally are supported by property taxes and intergovernmental revenues. The Fire District has no business-type activities, which rely to a significant extent on fees and charges for support. If the Fire District had business-type activities, such activities would be reported separately from governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Fire District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the Fire District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Fire District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes (ad valorem) are recognized as revenues in the year for which they are levied, as under New Jersey State Statute, a municipality is required to remit to its fire district the entire balance of taxes in the amount certified, prior to the end of the fire district year. The Fire District records the entire approved tax levy as revenue (accrued) at the start of the year since the revenue is both measurable and available. The Fire District is entitled to receive moneys under the following established payment 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Fire District considers revenues to be available if they are collected within sixty (60) days of the end of the current year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, reimbursable-type grants, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenue items are considered to be measurable and available only when cash is received by the Fire District.

The Fire District reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund. 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.

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

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The financial resources are derived from temporary notes and general obligation bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The Fire District reports the following major governmental funds (cont'd):

***Debt Service Fund*** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

**Budgets / Budgetary Control**

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et al. Typically, the fire commissioners must introduce and approve the annual budget not later than sixty days prior to the third Saturday in February. However, in 2021, due to Covid-19 safety concerns, the annual election was held on April 20, 2021. 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, except for provisions allowed by N.J.S.A. 40A:14-78.5.

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 held on the third Saturday in February for approval of the legal voters.

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 year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, includes all amendments and modifications to the adopted budget as approved by the Board of Commissioners.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Fire District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Fire District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at year-end.

The encumbered appropriation authority carries 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.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, 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. 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. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey fire districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements are recorded as expenses when consumed rather than when purchased. The Fire District did not have any significant inventory as of December 31, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements represent payments made to vendors for services that will benefit periods beyond December 31, 2021. At December 31, 2021, a \$27,161.15 prepaid expense existed.

In the governmental fund financial statements, the Fire District has recorded a prepaid expense of \$25,000.00 for an amount due under its agreement with the Westmont Fire Company No. 1 for fire protection services in 2022.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Fire District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Fire District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received. At December 31, 2021, the Fire District has no capital assets.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Fire District is eligible to realize the revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension and length of service awards program contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of 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 the 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 Fire District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Net Position (Cont'd)**

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

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

**Fund Balance**

The Fire District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Fire District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The Fire 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 spendable form or are legally or contractually required to be maintained intact. The "not in 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 Fire District's highest level of decision-making authority, which, for the Fire District, is the Board of Fire Commissioners. Such formal action consists of an affirmative vote by the Board of Fire Commissioners, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Fire 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 Fire District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Fire.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Interfund Activity**

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Fire District's deposits might not be recovered. Although the Fire 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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation ("FDIC"). Public funds owned by the Fire District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings or funds that may pass to the Fire District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. The entire amount on deposit of \$124,771.27 was insured under FDIC at December 31, 2021.

**Note 3: PROPERTY TAX LEVIES**

The following is a tabulation of the Fire District's assessed valuations, tax levies, and property tax rates per \$100.00 of assessed valuations for the current and preceding four years:

<u>Year</u>		<u>Assessed Valuation</u>		<u>Total Tax Levy</u>		<u>Tax Rate</u>
2021	\$	147,120,900.00	\$	47,429.00	\$	.033
2020		146,714,500.00		47,429.00		.033
2019		145,815,600.00		46,499.00		.032
2018		145,272,800.00		45,433.00		.032
2017		145,300,000.00		44,542.00		.031

**Note 4: ACCOUNTS RECEIVABLE**

As of and for the year ended December 31, 2021, no accounts receivables existed.

**Note 5: RISK MANAGEMENT**

The Fire 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 Fire District maintains commercial insurance coverage for property, liability, and surety bonds.

**Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

As of and for the year ended December 31, 2021, no interfund receivables or payables, or transfers among funds existed.

**Note 7: CONCENTRATIONS**

A significant source of revenue for the Fire District comes from its ability to levy property taxes (see note 1 for detail on property taxes). The ability to levy property taxes, and the limits to which property taxes can be levied, are promulgated by State statute. As a result of this dependency, the Fire District's operations are significantly reliant and impacted by State laws and regulations regarding property taxes.

**Note 8: FUND BALANCES APPROPRIATED - GENERAL FUND**

The 2022 annual budget of the Fire District was adopted on January 24, 2022 and presented to the voters at the annual election on February 19, 2022. The adopted budget utilized \$21,697.41 of fund balance in the general fund.

The following presents the total fund balance of the general fund as of the end of the last five years and the amount utilized in the subsequent year's budget:

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilization in Subsequent Budget</u>
2021	\$ 149,771.27	\$ 21,697.41
2020	143,688.87	18,166.00
2019	134,566.47	5,591.00
2018	124,771.14	6,521.00
2017	96,959.31	2,437.00

**Note 9: FUND BALANCES****NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balance of the Fire District, as of December 31, 2021, is summarized as follows:

**General Fund** - The Fire District prepaid its 2022 fire protection services contract prior to December 31, 2021. As a result, because prepaid expense is recorded as an asset, even though it does not represent expendable financial resources, it is necessary to set aside fund balance at year-end by an amount equal to the balance of prepaid expense. As of December 31, 2021, the nonspendable fund balance was \$25,000.00.



**Note 9: FUND BALANCES (CONT'D)****ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The Fire District has appropriated and included as an anticipated revenue for the year ending December 31, 2022, \$21,697.41 of general fund balance at December 31, 2021.

**UNASSIGNED**

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

**General Fund** - As of December 31, 2021, \$103,073.86 of general fund balance was unassigned.

**Note 10: SUBSEQUENT EVENTS**

**COVID-19** - The management of the Fire District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the Fire District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Amount to be Raised by Taxation to Support the District Budget	\$ 47,429.00		\$ 47,429.00	\$ 47,429.00	
Total Anticipated Revenues	47,429.00		47,429.00	47,429.00	
Non-Budgetary Revenues:					
Operating Grant Revenue:					
Supplemental Fire Services Grant (P.L. 1985, Ch. 295)				20.01	\$ 20.01
Miscellaneous				20.01	20.01
Total Non-Budgetary Revenues				20.01	20.01
Total Revenues	47,429.00		47,429.00	47,449.01	20.01
<b>EXPENDITURES:</b>					
Operating Appropriations:					
Administration:					
Salary & Wages					
Commissioners	4,195.00		4,195.00	3,856.00	339.00
Other Expenses:					
Election	800.00	\$ (216.97)	583.03	487.50	95.53
Insurance	3,000.00		3,000.00	2,559.26	440.74
Office Supplies	1,600.00	216.97	1,816.97	1,816.97	
Professional Services	20,000.00		20,000.00	9,065.00	10,935.00
Advertising	500.00		500.00	111.80	388.20
Website	500.00		500.00	205.88	294.12
Total Administration	30,595.00		30,595.00	18,102.41	12,492.59

(Continued)

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Operating Appropriations (Cont'd):					
Cost of Operations and Maintenance:					
Other Expenses:					
Fire Protection	\$ 20,000.00		\$ 20,000.00	\$ 20,000.00	
EMS & Fire Prevention Equipment	15,000.00		15,000.00	3,264.20	\$ 11,735.80
Total Cost of Operations and Maintenance	<u>35,000.00</u>		<u>35,000.00</u>	<u>23,264.20</u>	<u>11,735.80</u>
Total Expenditures	<u>65,595.00</u>		<u>65,595.00</u>	<u>41,366.61</u>	<u>\$ 24,228.39</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (18,166.00)</u>	<u>\$ -</u>	<u>\$ (18,166.00)</u>	6,082.40	<u>\$ 24,248.40</u>
Fund Balance, Beginning				<u>143,688.87</u>	
Fund Balance, Ending				<u>\$ 149,771.27</u>	
Recapitulation:					
Nonspendable				\$ 25,000.00	
Assigned					
Subsequent Year's Expenditures				21,697.41	
Unassigned				<u>103,073.86</u>	
				<u>\$ 149,771.27</u>	

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Year Ended December 31, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 47,449.01	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	_____	_____
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	\$ 47,449.01	\$ -
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 41,366.61	
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 (B-2)	\$ 41,366.61	\$ -

## **SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2021

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.



**TOWNSHIP OF HADDON FIRE DISTRICT NO. 3**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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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*.

**FINANCIAL STATEMENT FINDINGS**

None.

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**APPRECIATION**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

