

SUMMARY OR SYNOPSIS OF AUDIT REPORT OF THE TOWNSHIP OF HANOVER FIRE DISTRICT #3  
FOR THE YEAR ENDED DECEMBER 31, 2017 AS  
REQUIRED BY N.J.S. 40a:5A-16  
BALANCE SHEET - GOVERNMENTAL FUNDS

	Major Fund	Non-Major Fund	Total
	General Fund	Capital Fund	Governmental Funds
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,125,545	\$ 25,461	\$ 1,151,006
Restricted Cash and Cash Equivalents		121,989	121,989
Total Assets	<u>\$ 1,125,545</u>	<u>\$ 147,450</u>	<u>\$ 1,272,995</u>
<u>LIABILITIES:</u>			
Accounts Payable	\$ 21,762	\$ 2,387	\$ 24,149
Total Liabilities	<u>\$ 21,762</u>	<u>\$ 2,387</u>	<u>\$ 24,149</u>
<u>FUND BALANCES:</u>			
Restricted for Capital Lease Payments		\$ 121,989	\$ 121,989
Unassigned	\$ 1,103,783	23,074	1,126,857
Total Fund Balances	<u>1,103,783</u>	<u>145,063</u>	<u>1,248,846</u>
Total Liabilities and Fund Balances	<u>\$ 1,125,545</u>	<u>\$ 147,450</u>	

Amounts Reported in the Statement of Activities are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not Reported in the Funds. The Cost of the Assets is \$3,235,505 and the Accumulated Depreciation is \$1,538,334.	\$ 1,697,171
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Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(46,139)
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The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the District Wide Financial Statements.	(1,595,434)
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Certain amounts related to the Net Pension Liability and Deferred and Amortized in the Statement of Activities are not reported in the Governmental Funds:

Deferred Outflows of Resources:	
Changes in Assumptions - Pensions	227,240
Difference Between Expected and Actual Experience - Pensions	17,009
Investment Gains - Pensions	25,655
Changes in Proportions - Pensions	431,441

Deferred Inflows of Resources:	
Changes in Assumptions - Pensions	(275,710)
Difference Between Expected and Actual Experience - Pensions	(7,073)
Changes in Proportions - Pensions	(105,557)

Long-Term Liabilities, Including Lease Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(121,989)
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Net Position of Governmental Activities	<u>\$ 1,495,460</u>
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TOWNSHIP OF HANOVER FIRE DISTRICT #3  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Non-Major Fund</u> <u>Capital Fund</u>	<u>Major Fund</u> <u>General Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>REVENUE:</u>			
Amount to be Raised by Taxation to Support District Budget		\$ 1,131,306	\$ 1,131,306
Rental Income		6,500	6,500
Interest Earned on Investments		4,343	4,343
EMS Services		543,831	543,831
Local Registration Fees		31,714	31,714
Fire Alarms and Standby Fees		10,977	10,977
Miscellaneous		8,587	8,587
Uniform Safety Act		28,172	28,172
Total Revenue		1,765,430	1,765,430
<u>EXPENDITURES:</u>			
Operating, Maintenance and Administration		1,536,689	1,536,689
Capital Lease Payment:			
Principal		58,360	58,360
Interest		5,375	5,375
Capital Outlay	\$ 215,161		215,161
Total Expenditures	215,161	1,600,424	1,815,585
Other Financing Sources/(Uses):			
Transfers In	215,161		215,161
Transfers Out		(215,161)	(215,161)
Total Other Financing Sources/(Uses)	215,161	(215,161)	
Net Change in Fund Balances		(50,155)	(50,155)
Fund Balances, Beginning of Year	191,672	1,107,329	1,299,001
Fund Balances, End of Year	\$ 191,672	\$ 1,057,174	\$ 1,248,846

TOWNSHIP OF HANOVER FIRE DISTRICT #3  
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION  
(Continued)

It is recommended that:

1. The District maintain an adequate segregation of duties with respect to the preparation of cash receipts and cash disbursements books and the cash handling functions.
2. It is recommended that the collections agency (NBCC) obtain a SOC 1, Type 2 report or similar report, which covers each calendar year.
3. It is recommended that all timesheets by employees are submitted in a complete and timely manner.

**Robert Callas, Secretary**