

Chesterfield Township Board of Fire Commissioners District Two  
May 9, 2011

The regular monthly meeting of the Chesterfield Township Board of Fire Commissioners District Two was led to order by Vice-Chairman Homa at 8pm. Members present: Bruch, Hlubik, Homa, Jones and Maley.

The Sunshine law was read.

Minutes of the previous were presented. Motion to accept the minutes as presented by Jones, seconded by Bruch. All aye, motion carried.

Treasurer's report was presented. Motion to accept the report and pay the bills by Hlubik, second by Bruch. All aye, motion carried.

Old Business:

Need to post notice that bills need to be presented to Commissioners by the Friday previous to their meeting by 5 pm.

New Business:

Audit by Jack Maley.

Anytime we use a state contract we need a Resolution for purchases over \$3,150. retain. Jack Maley as auditor by Hlubik, second by Homa. All aye, motion carried.

Motion to approve Resolution 2011-5-1 (**see below**) to approve audit by Hlubik, second by Bruch.

Roll call: Bruch-yes, Hlubik-yes, Homa-yes, Jones-yes, Spence-absent. Resolution approved.

Synopsis of audit was presented. Needs to be published. State needs copy. Resolution 2011-5-2 (**see below**), a cash management plan was presented. Motion to approve by Jones, second by Bruch. Should be done annually at reorganization. All aye, resolution passed.

A corrective action plan was presented as Resolution 2011-5-3 (**see below**). Motion to approve by Hlubik, second by Jones. Maley stated that many items are repeat items but improvements have been made.

Motion to approve payment to Kevin Panacek \$28.24 by Bruch, second by Hlubik. All aye, motion carried.

Chief Asbrand is looking into dry hydrants.

Need three sets of gear, three pagers, 10 hoods, 5 pair of gloves and a tach stick. Motion to approve by Hlubik, second by Bruch. All aye, motion carried. Need state contract number on purchase order for gear.

As there was no further business, motion to adjourn by Hlubik, second by Bruch. All aye, motion carried. Meeting adjourned at 9:45 pm.

RESOLUTION

2011-5-1

CHESTERFIELD TOWNSHIP FIRE DISTRICT NO. 2

WHEREAS, N.J.S.A. 40A:14-89 requires the governing body of each Fire District to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2010 has been completed and filed with the Commissioners of the Chesterfield Township Fire District No. 2, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each District to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "Findings and Responses" in accordance with N.J.S.A. 40A:5A-17,

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Chesterfield Township Fire District No. 2 hereby certify to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2010, and specifically has reviewed the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the District is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON May 9, 2011.

  
Secretary

Date: May 9, 2011

LOCAL DISTRICT GROUP AFFIDAVIT FORM

PRESCRIBED BY

THE NEW JERSEY LOCAL FINANCE BOARD

AUDIT REVIEW CERTIFICATE

We, the members of the governing body of the Chesterfield Township Fire District No. 2, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly elected members of the Chesterfield Township Fire District No. 2.
2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2010, and specifically the sections of the audit report entitled "Findings" and "Responses".

F. Gerry Spence

absent

John Homa

John Homa

Raymond Hlubik

Raymond Hlubik

Charles Jones

Charles Jones

Robert Bruch

Robert H. Bruch

Sworn to and subscribed before me

this 9<sup>th</sup> day of MAY, 2011.

Caryn M. Hoyer  
Notary Public of New Jersey

CARYN M. HOYER

Chesterfield Township Fire District No. 2  
Cash Management Plan

2011-5-2

WHEREAS, this plan is established to comply with the requirements of NJSA 40A: 5-14 and to provide a guide to officials and employees their duties concerning the receipt and disbursement of all funds of the Chesterfield Township Fire District No.2, County of Burlington.

NOW, THEREFORE, BE IT RESOLVED, that the following Cash Management plan of the Chesterfield Township Fire District No. 2 be and hereby is adopted:

- a. The Board of Fire Commissioners shall annually designate the depositories for all funds. The resolution may be amended or supplemented from time to time as the Commissioners deem necessary. Such resolution shall be deemed a part of the Cash Management Plan.
- b. The Fire Commissioners shall annually establish the required signatories to all bank accounts.
- c. All funds received by any official or employee shall be deposited within 48 hours to an interest bearing account in the name of the Chesterfield Township Fire District No. 2, County of Burlington.
- d. All revenues received by the Treasurer shall be deposited to interest bearing accounts in the legal depositories.
- e. The following funds shall not be required to be maintained in interest bearing accounts:
  1. Change Funds
  2. Petty Cash Funds
  3. Payroll Funds
  4. Trust funds to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of funds.
  5. Checking accounts established for the express purpose of paying bills approved by the Commissioners. The balances in these funds shall be kept at the minimum amount required for the orderly operation of the account.
  6. Compensating balances maintained for the purpose of obtaining specific services from financial institutions Such accounts shall be established only under terms of written agreements approved by the Fire Commissioners.

- f. No District funds shall be disbursed by the Treasurer prior to approval of the Board of Fire Commissioners except for:
1. Debt Service Payments
  2. Payroll turnovers to agencies

It shall be the responsibility of the Treasurer to analyze the cash flow and to invest funds in legal investments so as to maximize interest earnings. When investing funds in commercial banks, savings and loan etc., the Treasurer shall obtain a minimum of three quotations and shall invest at the institution offering the highest effective rate. The Treasurer shall determine which type of legal investment will best serve the needs of the Fire District and is restricted by the governing body.

The Treasurer shall report monthly all investment transactions as required by NJSA 40A:5-15.2 to the Board of Fire Commissioners.

I, hereby certify that the foregoing resolution was duly adopted by the Fire Commissioners of Chesterfield Township Fire District No. 2 at a regular meeting conducted on the day of 9th May 2011

  
Secretary

CHESTERFIELD TOWNSHIP FIRE DISTRICT NO. 2

CORRECTIVE ACTION PLAN

RESOLUTION - 2011-5-3

WHEREAS, in accordance with the Government Auditing Standards, it is necessary for the fire district to prepare a Corrective Action Plan as part of the annual audit process; and

WHEREAS, it is further required that all findings and recommendations contained in the audit report be addressed by the chief financial officer of the fire district by means of a Corrective Action Plan, which will address the method of resolving any problems as set forth in the findings and recommendations of the audit report; and

WHEREAS, said Corrective Action Plan is to be submitted to the Division of Local Government Services and placed on file with the Clerk or Secretary of the Fire District within 60 days from the date the audit is received by the fire district.

NOW, THEREFORE, BE IT RESOLVED by the fire district, as follows:

1. The Corrective Action Plan as attached is hereby adopted by the fire district in accordance with applicable statutory law or regulations.
2. A copy of same shall be forwarded to all appropriate parties.

Certified by me  
this 9th day of May, 2011

CHESTERFIELD TOWNSHIP FIRE DISTRICT NO. 2  
CORRECTIVE ACTION PLAN  
2010 AUDIT FINDINGS

Finding

1. Description:  
Internal controls over voucher processing were not followed.
2. Analysis:  
The majority of vouchers did not contain claimant signatures. Also, paid invoices were not always available.
3. Corrective Action:  
Internal controls over voucher processing will be more closely followed.
4. Implementation Date:  
Immediately.

Finding

1. Description:  
The District prepared a corrective action plan addressing the 2009 audit findings but did not implement the plan.
2. Analysis:  
The District is required to prepare and implement a corrective action plan addressing audit findings and recommendations.
3. Corrective Action:  
Priority should be given to implementing corrective action plans.
4. Implementation Date:  
Immediately.

Finding

1. Description:  
Gear Grid was paid \$6,256 & Mid State Mobile was paid \$6,215 for equipment without evidence of solicited quotations.
2. Analysis:  
Purchases for amounts in excess of \$3,150 must be supported by solicited quotation.
3. Corrective Action:  
Documents and records maintenance specifically associated with quotes should be improved.
4. Implementation Date:  
Immediately.



Synopsis of Audit Report of the  
Chesterfield Township Fire District No. 2  
Statement of Net Assets  
December 31, 2010

Synopsis of Audit Report of the  
Chesterfield Township's Fire District No. 2  
Statement of Activities  
December 31, 2010

<u>ASSETS</u>	<u>2010</u>
<u>Assets:</u>	
Cash and cash equivalents	\$ 192,399
Fixed Assets - Net of Accumulated Depreciation	459,489
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Total Assets	651,889
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<u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities:</u>	
Accounts Payable	-
Accrued and Withheld Payroll Taxes	1,249
Accrued Interest Payable	3,390
Lease Obligations Payable	
Due Within One Year	42,000
Due Beyond One Year	184,000
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Total Liabilities	230,639
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<u>Net Assets:</u>	
Invested in capital assets, net of related debt	233,489
Restricted - Appropriation Reserves	37,306
Unrestricted	150,454
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Total Net Assets	421,249
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Total Liabilities and Net Assets	\$ 651,889

<u>REVENUES</u>	<u>2010</u>
District Taxes	\$ 191,583
State Aid - Supplemental Fire Services	971
Interest on Deposits and Investments	3,648
Other	11,212
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Total Revenues	207,414
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<u>EXPENSES</u>	
Operating & Maintenance	149,172
Debt Service	10,040
Depreciation	50,739
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Total Expenses	209,951
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<u>OTHER FINANCING SOURCES (USES)</u>	
Prior Year LOSAP Reimbursement	7,013
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Change in Net Assets	4,476
Net Assets Beginning of the Year	416,773
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Net Assets End of the Year	\$ 421,249

It is recommended that: Internal controls over voucher processing should be followed. Corrective action plans should be implemented. Purchase orders issued through the use of state contract provisions should contain the state contract number.

The above summary or synopsis was prepared from the report of audit of the Chesterfield Fire District No. 2 for the fiscal year ended December 31, 2010. This report of audit submitted by John J. Maley Jr. Registered Municipal Accountant and Certified Public Accountant, is on file with the Chesterfield Fire District No. 2 and may be inspected by any interested person.

A Corrective Action Plan, which outlines actions the Chesterfield Fire District No. 2 will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Chesterfield Fire District No. 2 within 45 days of this notice.



