

**WOODBRIIDGE TOWNSHIP  
FIRE DISTRICT NO. 2  
LENGTH OF SERVICE AWARDS PROGRAM  
(LOSAP)**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

***HODULIK & MORRISON, P.A.***  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
HIGHLAND PARK, N.J.

**TOWNSHIP OF WOODBRIDGE  
FIRE DISTRICT NO. 2  
LENGTH OF SERVICE AWARDS PROGRAM**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Fire Commissioners of the  
Township of Woodbridge Fire District No. 2  
Woodbridge, New Jersey

We have reviewed the accompanying statement of assets, liabilities and net position of the Township of Woodbridge Fire District No. 2 Length of Service Award Program (LOSAP) as of December 31, 2016, and the related statement of revenues, expenses and other changes in net position for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the administration of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements – Statutory Basis**

The management of Township of Woodbridge Fire District No. 2 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

**Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants

Highland Park, New Jersey  
July 31, 2017

**EXHIBITS**

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 2**  
**MIDDLESEX COUNTY, NEW JERSEY**

**STATEMENT OF FIDUCIARY NET POSITION (UNAUDITED)**  
**FIDUCIARY FUNDS**

**DECEMBER 31, 2016**

ASSETS

Cash and Investments With Fiscal Agents	\$ <u>208,785.14</u>
Total Assets	\$ <u><u>208,785.14</u></u>

NET POSITION

Held In Trust For:	
Deferred Compensation	\$ <u>208,785.14</u>
Total Net Position	\$ <u><u>208,785.14</u></u>

See Accountants Review Report.

**WOODBRIAGE TOWNSHIP FIRE DISTRICT NO. 2**  
**MIDDLESEX COUNTY, NEW JERSEY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (UNAUDITED)**  
**FIDUCIARY FUNDS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

ADDITIONS:

Contributions:		
District Contributions	\$	<u>4,000.00</u>
Total Contributions		<u>4,000.00</u>
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments		4,063.49
Interest on Investments		<u>934.12</u>
Net Investment Earnings		<u>4,997.61</u>
Total Additions		8,997.61
DEDUCTIONS:		
Benefits Paid to Participants and or Beneficiaries		<u>2,455.74</u>
Changes in Net Position		6,541.87
Net Position - Beginning of Year		<u>202,243.27</u>
Net Position - End of Year	\$	<u><u>208,785.14</u></u>

See Accountants Review Report.

WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 2  
WOODBRIIDGE, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

NOTES TO FINANCIAL STATEMENTS - STATUTORY BASIS  
YEAR ENDED DECEMBER 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Woodbridge Township Fire District No. 2 Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and pursuant to P.L. 1997, c.388. The LOSAP program provides for fixed annual contributions to a deferred income account for volunteer members who meet specified service criteria. The LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the LOSAP Point System. The Woodbridge Township Fire District No. 2 sponsors the LOSAP through an annual award appropriated through the district budget.

B. Basis of Presentation

The accounting policies of the Woodbridge Township Fire District No. 2 (the "District"), Length of Service Award Program (LOSAP) (the "Program") conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Description of Program

The program was created in accordance with the Internal Revenue Code Section 457. The program is offered to all volunteer members that meet the criteria set by the District, and provides for fixed annual contributions for all eligible members. The deferred compensation is not available to volunteer members until termination, retirement, death, or unforeseeable emergency. Earnings of the program and contributions by the District are subject to vesting provisions of the plan and are exempt from income taxes until distribution to the participating volunteers.

The Program is offered by the District through the Variable Annuity Life Insurance Company (VALIC).

All amounts of compensation deferred under the Program, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are (until paid or made available to the volunteer or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the Program), subject only to the claims of the District's general creditors. Participant's rights under the Program are equal to those

NOTES TO FINANCIAL STATEMENTS - STATUTORY BASIS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Description of Program (Cont'd)

of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

In accordance with standards established by the Governmental Accounting Standards Board, the Program balances are displayed in the Trust Fund of the District. The program is tax exempt in Internal Revenue Code Section 457.

D. Investments and Investment Income

Upon enrollment, the participants in the program select various investment options as to how the deferred amounts are invested. The investment option may be changed by the participant at any time. VALIC reports the Program's pro rata share of the investment income, consisting of gains and losses on transactions, appreciation or depreciation of the market value of the account investments and interest and dividends, recorded by the separate investment accounts maintained by the Program administrators.