

**Summary of Synopsis of Audit Report of the
Board of Fire Commissioners, Upper Township Fire District #1
For the Year Ended December 31, 2022, as required by N.J.S. 40A:5A-16**

Attention is directed to the fact that a summary of synopsis of the audit report, together with the recommendations, is the minimum required to be published.

Balance Sheet

Assets:	
Cash and Cash Equivalents	\$ 41,955
Total Assets	\$ 41,955
Liabilities:	
Accounts Payable	\$ -
Total Liabilities	\$ -
Fund Balance:	
Assigned for Capital Purchases	\$ -
Assigned for Emergencies	-
Unrestricted	41,955
Total Fund Balance	\$ 41,955

Statement of Operations and Changes in Fund Balance

Revenues:	
District Taxes	\$ 99,696
Interest Income	35
Other Income	875
Total Revenues	\$ 100,606
Expenditures:	
Operating and Maintenance	\$ 72,886
Other Expenses	27,673
Length of Service Contribution	-
Total Expenditures	\$ 100,559
Excess (Deficiency) of Revenues over Expenditures	\$ 47
Fund Balance, Beginning	\$ 42,475
Change in Net Position	47
Other Adjustment	(567)
Fund Balance, Ending	\$ 41,955

The above summary/synopsis was prepared from the report of the audit of the Board of Fire Commissioners, Upper Township Fire District #1, for the year ended December 31, 2022. The report of audit, submitted by Michael J. Bohrer, Esq., CPA, is on file at the office of Cheryl Ward, CPA, PC, 820 S. Shore Rd, Marmora, N.J., 08823, and may be inspected by any interested person.

AUDIT QUESTIONNAIRE FOR FIRE DISTRICT AUDITS

EACH QUESTION MUST BE ANSWERED.

PLEASE SELECT YES OR NO.

IF ANY ARE NOT APPLICABLE, STATE N/A AS YOUR ANSWER.

FIRE DISTRICT Upper Township Fire District No. 1

YEAR UNDER AUDIT 2022

AUDITOR SIGNATURE 

AUDITOR FIRM Michael J. Bohrer, Esq., CPA

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"NO" ANSWERS MUST BE EXPLAINED IN DETAIL. ATTACH ADDITIONAL SHEETS IF MORE SPACE IS REQUIRED. ANSWERS TO QUESTIONS WHICH INDICATE CORRECTIONS OR IMPROVEMENTS ARE REQUIRED MUST BE COVERED BY COMMENT AND RECOMMENDATION IN THE AUDIT REPORT. IF NOT COVERED, EXPLAIN IN DETAIL.

AUDIT QUESTIONNAIRE

FIRE DISTRICT Upper Township Fire District # 1

General

1. Is a general ledger maintained by the district? YES NO
2. Are key employees bonded in amounts required by organization policy YES NO
3. Is insurance coverage in force for at least the following:
- Loss or damage to assets from fire and other hazards? YES NO
- Public liability and property damage? YES NO
- Robbery, burglary, theft and disappearance? YES NO
- Worker's compensation? YES NO N/A
4. Are loans to employees prohibited? YES NO
5. Has the Bureau of Authority Regulation been notified of deficiencies in the accounting system or records? YES NO N/A
6. Has a corrective action plan been filed for the previous year audit report? YES NO N/A

Cash and Investments

1. Has the district adopted a cash management plan? YES NO
2. Are all depositories and accounts authorized by resolution of the governing body? YES NO
3. Are receipts deposited within 48 hours pursuant to N.J.A.C. 5:31-3.1(b)? YES NO
4. Are the duties of personnel who receive and deposit cash separate from investments, cash disbursing, and bookkeeping? YES NO
5. Are cash receipts adequately safeguarded before deposit? YES NO
6. Is responsibility for the petty cash fund vested in only one person? YES NO

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| 7. Are petty cash disbursements supported by signed receipts which are attached to reimbursement vouchers? | <input checked="" type="checkbox"/> YES | NO | |
| 8. Are check signers and individuals initiating or authorizing transactions utilizing standard electronic funds transfer technologies designated by resolution? | <input checked="" type="checkbox"/> YES | NO | |
| 9. If a mechanical check signer is used, are there procedures to control and record the check numbers and the number of checks signed? | YES | NO | N/A |
| 10. Is there adequate security over blank checks? | <input checked="" type="checkbox"/> YES | NO | |
| 11. Are the duties of personnel who disburse cash separate from the function of approving vouchers? | <input checked="" type="checkbox"/> YES | NO | |
| 12. Are bank statements reconciled monthly? | <input checked="" type="checkbox"/> YES | NO | |
| A. Is the sequence of check numbers accounted for? | <input checked="" type="checkbox"/> YES | NO | |
| B. Are check endorsements scrutinized? | <input checked="" type="checkbox"/> YES | NO | |
| 13. Are outstanding checks older than 6 months investigated? | <input checked="" type="checkbox"/> YES | NO | |
| 14. Are investments under the control of a responsible official who does not receive or disburse cash? | <input checked="" type="checkbox"/> YES | NO | |
| 15. Are all investments issued in the name of the district? | <input checked="" type="checkbox"/> YES | NO | |
| 16. Are all investment transactions approved by the governing body? | <input checked="" type="checkbox"/> YES | NO | |
| 17. Are all investments permitted by law or bond agreement? | <input checked="" type="checkbox"/> YES | NO | |
| 18. Are perpetual records of investments reflecting all pertinent information maintained? | <input checked="" type="checkbox"/> YES | NO | |
| 19. Is interest income verified? | <input checked="" type="checkbox"/> YES | NO | |
| A. Is it promptly recorded in the accounting records? | <input checked="" type="checkbox"/> YES | NO | |
| 20. Are investments examined periodically and verified with the detail record and control account? | <input checked="" type="checkbox"/> YES | NO | |
| 21. Are investments protected against loss or theft? | <input checked="" type="checkbox"/> YES | NO | |

22. Are signature stamps, mechanical signatures, facsimile signatures, and electronic copies of signatures under adequate control and protected against unauthorized use? YES NO N/A

Accounts Receivable and Income (District Taxes, User Charges and Miscellaneous)

1. Has the district tax levy been verified with the Abstract of Ratables YES NO
2. Does the district tax revenue agree to the tax levy? YES NO
3. Are billings to users independently verified? YES NO N/A
4. Is there segregation of duties among accounts receivable, record maintenance, billing, and receipt of cash? YES NO
5. Are total accounts receivable balances verified with the accounts receivable control periodically? YES NO
6. Are delinquent accounts receivable reviewed and collection procedures initiated by a responsible official? YES NO no delinquent
7. Are accounts receivable records promptly posted? YES NO N/A
- A. Billings to users? YES NO N/A
- B. Cash receipts? YES NO
8. Are adjustments to accounts receivable approved by a responsible official? YES NO

Inventory N/A

1. Is the storage area properly safeguarded to prevent damage to materials and unauthorized removal? YES NO
2. Do quantities appear reasonable for normal consumption? YES NO
3. Are physical inventories taken annually? YES NO

Accounts Payable and Purchasing

1. Are the following requirements of the Local Public Contracts Law (40A:11) being followed and documented:
 - A. Competitive bidding and contract award? YES NO
 - B. Informal quotations on purchases not requiring public bidding (40A:11-6.1)? YES NO
 - C. Certificate of availability of funds prior to award of contracts (Reg. 5:30-15.4)? YES NO
 - D. Resolutions adopted and advertised authorizing agreements for professional services (40A:11-5)? YES NO
 - E. Emergency purchases and contracts (40A:11-6)? YES NO
2. Are prenumbered or system generated purchase orders issued for all purchases, except petty cash purchases? YES NO
3. Is there a record of all purchase orders issued? YES NO
4. Are quantities and descriptions of materials and supplies received:
 - A. Compared to purchase orders? YES NO
 - B. Compared to vendors' invoices? YES NO
 - C. Verified with packing or delivery slips? YES NO
5. Are open purchase orders reviewed periodically? YES NO
6. Do vouchers approved for payment contain:
 - A. Signature of person who verified quantities and description of materials received or services rendered? YES NO
 - B. Copies of purchase order, delivery slips, etc. YES NO
7. Were all vouchers approved by the governing body? YES NO
8. Is there segregation of duties between the purchasing, receiving and disbursement functions? YES NO
9. Are total accounts payable balances verified with the accounts payable control periodically? YES NO

The Fire District does not use a Purchase Order system to initiate purchases and, thereafter, compare to vendor invoices. However, in this Auditor's opinion, the lack of a Purchase Order system does not lessen internal accounting controls due to extensive compensating controls which provide a similar level of assurance that all purchases are authorized, and that all payments to vendors are for approved goods or services that were actually received. Compensating internal controls (in lieu of a purchase order system) include the use and continued monitoring of an operating budget, review and approval of all vendor invoices by the full Board at its monthly meetings, dual signatures on all check disbursements, and first-hand knowledge of the receipt of goods and services resulting from the Board's close interaction with the fire company's activities.

Payroll N/A

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| 1. Are the functions of payroll preparation and distribution separated? | YES | NO |
| 2. Are names added to and deleted from payroll and rates of pay changed only upon written authorization? | YES | NO |
| 3. Are new employees, employee promotions and rates of pay approved by the governing body? | YES | NO |
| 4. Are payroll deductions promptly paid to the proper agencies? | YES | NO |
| 5. Are records maintained to control and verify vacation time, sick leave, etc. taken and accumulated? | YES | NO |
| 6. Are all employees paid by check or by direct deposit? | YES | NO |
| 7. Is there a separate bank account for payroll disbursements? | YES | NO |
| A. Are deposits in exact amount of payroll? | YES | NO |
| B. Is the payroll bank balance reconciled monthly by someone independent of payroll preparation? | YES | NO |
| C. Are payroll procedures established by resolution of the governing body? | YES | NO |
| 8. Are all payroll deductions supported by signed authorizations on file? | YES | NO |
| 9. Are payroll check endorsements and employee account authorizations scrutinized? | YES | NO |

Property, Plant and Equipment

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| 1. Are detailed fixed asset records maintained? | <input checked="" type="checkbox"/> | NO |
| A. Are fixed assets properly identified with the fixed asset records? | <input checked="" type="checkbox"/> | NO |
| B. Are additions and deletions properly authorized and promptly recorded? | <input checked="" type="checkbox"/> | NO |
| 2. Is the documentation substantiating the cost of fixed assets permanently filed? | <input checked="" type="checkbox"/> | NO |

3. Is there a written policy defining items to be capitalized and those to be expensed? YES NO
4. Does the capitalization of interest and other indirect costs conform to accounting principles? YES NO
5. Do fixed asset additions conform to the adopted or amended capital budget? YES NO
6. Are fixed assets carried on the accounting records at cost or, if acquired by gift, at fair market value at date of gift? YES NO
7. Is a physical inventory of fixed assets taken periodically and verified to fixed asset records? YES NO
8. Are dispositions of fixed assets properly recorded and sales proceeds promptly accounted for in the accounting records? YES NO
9. Are fixed assets properly safeguarded against loss by fire, unauthorized use or theft? YES NO

Long and Short Term Debt

1. Is a detailed record such as a bond or note register maintained of debt issued and outstanding? YES NO
 - A. Are principal and interest due dates and amounts reflected and date of payment recorded? YES NO
2. Are debt issues properly authorized by the governing body? YES NO
3. Does the expenditure of borrowed funds conform to the purposes authorized? YES NO
4. Are paid bonds and notes properly cancelled and accounted for? YES NO
5. Has the fire district paid its debt service on a timely basis? YES NO
6. Is the fire district in compliance with all bond covenants? YES NO

Capital Leases

1. Have all capital leases been approved by the voters? YES NO
2. Has the project financing for capital leases been approved by the Local Finance Board? YES NO

Budget System

1. Were the adopted operating budget and amendments thereto approved by the Director of Local Government Services? YES NO
2. Were the adopted budgets and amendments recorded in the minutes? YES NO
3. Are there sufficient controls to monitor expenses and revenues against budgeted amounts? YES NO
4. Is a budget status report periodically furnished to the governing body? YES NO
5. Are appropriations encumbered when purchase orders are issued? YES NO
6. Are fixed assets acquired through budget appropriations properly capitalized? YES NO

Grant Management N/A

1. Is a permanent file of each grant maintained? YES NO
2. Does the accounting system provide details of eligible expenditures to be reimbursed from each grant? YES NO
3. Is each expenditure reviewed for compliance with the terms of the applicable grant? YES NO
4. Are all required reports promptly filed with the grantor agency? YES NO
5. Were grant reimbursement requests filed promptly? YES NO
6. Are assets acquired from grant funds properly identified? YES NO
7. If indirect costs are chargeable to grants, has the method of allocation been approved? YES NO

Electronic Data Processing

1. Does the district utilize electronic data processing for accounting or financial functions? YES NO
2. Was the system approved by the Division of Local Government Services? YES NO
3. Are there sufficient audit trails to identify documents being processed and identify output? YES NO
4. Are master files updated periodically and on schedule to prevent loss of data in transaction files? YES NO
5. Are there periodic printouts of updated files by E.D.P. transactions? YES NO
6. Are authorized users validated by user codes and passwords? YES NO
7. Are terminals located in a secure area, to prevent access by unauthorized personnel? YES NO
8. Are there copies of all critical materials such as programs, master files, transaction files, etc.? YES NO
9. Are these copies stored in a safe location (offsite or in a fireproof vault onsite)? YES NO
10. Are mechanisms in place to guard against loss due to power failures, fire, flood, etc.? YES NO

Electronic Funds Transfers

1. Has the governing body adopted a resolution establishing policies and procedures governing electronic funds transfers? YES NO
2. Has the fire district's chief financial officer been charged by the governing body with the responsibility of ensuring that internal controls for electronic fund transfers are being adhered to? YES NO
3. Are initiation and authorization roles segregated and password restricted? YES NO
4. Has another officer of the fire district that is not under the chief financial YES NO

- officer's authority been designated to authorize an electronic funds transfer initiated by the chief financial officer?
5. Are activity reports on transactions involving electronic funds transfers reviewed at least weekly by the chief financial officer or an individual under the chief financial officer's supervision, and monitored by another individual not under the chief financial officer's supervision? YES NO monthly
6. Have financial institution providers of electronic funds transfer technologies submitted to the fire district proof of satisfactory internal control? YES NO
7. Does each bill list have proper reference to the type of technology and a tracking mechanism to provide for an adequate audit trail? YES NO
8. For electronic funds transfers conducted through an automated clearing house transfer (ACH):
- A. Is a current Electronic Funds Transfer and Indemnification Agreement in place with a banking institution authorized to access fire district bank accounts for the purpose of conducting electronic funds transfers through ACH? YES NO
- B. Are users that can generate an ACH file neither given upload rights nor given access that permits editing of a vendor routing number or vendor account number? YES NO
- C. Is each edit to vendor ACH information approved by a separate individual and logged showing the user editing the data, date stamp, IP address, and approval of the edit? YES NO
- D. Are plain text ACH files not stored on a local computer past the time the file is transmitted to a bank? YES NO
9. For electronic funds transfers conducted through a charge card/account: N/A
- A. Are monthly purchase orders issued for each individual charge card or account that authorize a maximum amount that can expended per month? YES NO
- B. Is the charge card or account limited to use with a specific vendor? YES NO

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| C. Are outstanding balances paid in full each month? | YES | NO |
| D. Has the authority adopted policies and procedures for use of charge cards/
charge accounts? | YES | NO |
| E. Are individuals authorized to utilize charge cards/accounts | | |
| i. trained on the policies and procedures governing their use? | YES | NO |
| ii. signatories to a contract of understanding that includes financial
responsibility for misuse? | YES | NO |
| iii. covered by a bond or blanket honesty policy? | YES | NO |
| F. Have individuals responsible for activity reconciliations and supervisory
Review been trained in the policies and procedures governing the use of charge
cards/accounts? | YES | NO |
| 10. If the fire district utilizes a procurement card | N/A | |
| A. Are individuals authorized to utilize procurement cards | | |
| i. trained on the policies and procedures governing their use? | YES | NO |
| ii. signatories to a contract of understanding that includes financial
responsibility for misuse? | YES | NO |
| iii. covered by a bond or blanket honesty policy? | YES | NO |
| B. If procurement cards are being utilized, does a Qualified Purchasing Agent
serve as program manager? | YES | NO |
| C. Have individuals responsible for activity reconciliations and supervisory
review been trained in the policies and procedures governing the use of
procurement cards? | YES | NO |

THE FOREGOING QUESTIONNAIRE MUST BE SEPARATELY FILED WITH THE
DIVISION OF LOCAL GOVERNMENT SERVICES FOR EACH REPORT OF AUDIT. IT IS
NOT TO BE BOUND IN THE REPORT