

FIRE DISTRICT No. 1 TOWNSHIP OF EVESHAM



**BURLINGTON COUNTY,
NEW JERSEY**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



**FIRE DISTRICT NO. 1
TOWNSHIP OF EVESHAM, NEW JERSEY**

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TOWNSHIP OF EVESHAM, NEW JERSEY**

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39200

**FIRE DISTRICT NO. 1
TOWNSHIP OF EVESHAM, NEW JERSEY**
Roster of Officials and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
<u>Board of Fire Commissioners</u>		
Benjamin Guerrini	President	(A)
Michael Powers	Vice President	(A)
Elizabeth Baugh	Treasurer	(A)
Bruce Albright	Secretary	(A)
Bradford McIntrye	Member	(A)

(A) Crime Policy - Excess Public Officials Bond in the amount of \$2,000,000.00 per loss through Municipal Excess Liability Joint Insurance Fund.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Fire District No. 1
Township of Evesham
Marlton, New Jersey 08053

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities and each major fund of the Township of Evesham Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2024, 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.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Township of Evesham Fire District No. 1, in the County of Burlington, State of New Jersey, as of December 31, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Township of Evesham Fire District No. 1, in the County of Burlington, State of New Jersey, as of December 31, 2024, 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 Qualified and Unmodified Opinions

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The balance of the Fire District's deferred outflows of resources related to pensions is overstated due to the component related to changes in proportion, which resulted from the incorrect beginning balance of the proportionate share of net pension liability reported in the prior year. This component of deferred outflows of resources has not been fully amortized during the year ended December 31, 2024, and as a result, the balance of deferred outflows of resources and net position on the statement of net position as of December 31, 2024, the balance of pension expense and change in net position on the statement of activities for the year ended December 31, 2024, and related notes to the financial statements are misstated. The amount by which this misstatement affects the deferred outflows of resources, net position, expenses, and change in net position of the governmental activities, although not reasonably determinable, are presumed to be material.

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and 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 qualified and unmodified audit opinions.

Emphasis of Matter***Change in Accounting Principle***

As described in note 1 to the financial statements, during the year ended December 31, 2024, the Fire District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 101, net position as of January 1, 2024, on the statement of activities has been restated, as discussed in note 16 to the financial statements. Our opinion is not modified with respect to this matter.

In addition, during the year ended December 31, 2024, the Fire District became aware of a prior year capital asset deletion in which the accumulated depreciation and gain on sale of asset were recorded for the incorrect amount. As a result, the Fire District has restated net position as of January 1, 2024, on the statement of activities to properly reflect these balances, as discussed in note 16 to the financial statements. Our opinion is not modified with respect to this matter.

Lastly, during the year ended December 31, 2024, the Fire District received notification that their appeal for the SAFER grant was denied and therefore the accounts receivable balance was deemed uncollectible. As a result, the Fire District has restated fund balance of the general fund as of January 1, 2024, on the statement of revenues, expenditures, and changes in fund balance and has also restated net position as of January 1, 2024, on the statement of activities to properly reflect these balances, as discussed in note 16 to the financial statements. Our opinions are not modified with respect to this matter.

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, budgetary comparison information, schedule of the Fire District's proportionate share of the net pension liability, schedule of the Fire District's pension contributions, and schedule of the Fire District's proportionate share of the net opeb liability 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying major fund supporting statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025 on our consideration of the Township of Evesham Fire District No. 1'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 Evesham Fire District No. 1'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 Evesham Fire District No. 1's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 5, 2025

**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. 1
Township of Evesham
Marlton, New Jersey 08053

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 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 Evesham Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2024, 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 November 5, 2025. Our report on the financial statements includes a qualified opinion on the governmental activities due to the misstatement of the balance of deferred outflows of resources related to pensions. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the restatement of the prior period financial statements resulting from the new accounting principle. Also, our report on the financial statements included additional emphasis of matter paragraphs describing the restatement of the prior period financial statements resulting from an error in the balances recorded for a prior year capital asset deletion and from the accounts receivable balance being deemed uncollectible.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Evesham Fire District No. 1'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Evesham Fire District No. 1'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.

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,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 5, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

As management of the Evesham Township Fire District No. 1 (hereafter referred to as the "Fire District"), we offer readers of the Fire District's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Fire District'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 Fire District's financial performance.

FINANCIAL HIGHLIGHTS

- The net position of the Fire District, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, was \$14,537,848.49 at the close of the current year.
- As of the close of the current year, the Fire District's governmental funds reported combined ending fund balances of \$15,274,938.82, an increase of \$3,683,266.82, or thirty-two percent (32%) in comparison with the prior year balance.
- At the end of the current year, unassigned fund balance for the general fund was \$9,206,017.52 approximately a twenty-five percent (25%) increase from the prior year balance.
- The Fire District purchased capital assets with a cost of \$621,142.51 and transferred \$228,591.85 from construction in progress to buildings and improvements during the year ended December 31, 2024.
- During the current year, the Fire District made the final payment on its obligations for debt service for \$250,000.00.
- The Fire District implemented GASBS 101, *Compensated Absences*, during the year ended December 31, 2024. A prior period adjustment of (\$640,449.10) has been recorded and therefore Table 1 and Table 2 below are not consistent due to the change in accounting principle for implementation of GASBS 101, *Compensated Absences*.

USING THIS REPORT OF AUDIT

This report of audit consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Fire District as a whole and present a longer-term view of the Fire District's finances. Fund financial statements for the governmental activities tell how these services are financed in the short term as well as what remains for future spending. These fund financial statements also report the Fire District's operations in more detail than the government-wide statements by providing information about the Fire District's most significant funds.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

USING THIS REPORT OF AUDIT (CONT'D)

Reporting the Fire District as a Whole

One of the most important questions asked about the Fire District's finances is, "*Is the Fire District as a whole better off or worse off as a result of the year's activities?*" The statement of net position and the statement of activities report information about the Fire District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Fire District's *net position* and changes in it. You can think of the Fire District's net position, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, as one way to measure the Fire District's financial health, or *financial position*. Over time, *increases or decreases* in the Fire District's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Fire District's property tax base and the condition of the Fire District's capital assets, to assess the *overall health* of the Fire District.

In the statement of net position and the statement of activities, we classify the Fire District as one kind of activity, that being governmental activities. This is where all of the Fire District's basic services are reported, which include fire-fighting services. Property taxes, uniform fire safety act fees, and state and federal grants primarily finance these activities.

Reporting the Fire District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Fire District as a whole. 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 Fire District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fire District maintains one fund type, *governmental*.

Governmental funds - The operational activities of the Fire District are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the Fire District's fund balances by law, creditors, Fire District Board of Commissioners, and the Fire District's annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual 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 Fire District'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 the Fire District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

The Fire District 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.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

THE FIRE DISTRICT AS A WHOLE

During 2024, the Fire District's net position increased by \$1,376,804.43, increasing from a restated balance of \$13,161,044.06 in 2023 to \$14,537,848.49 in 2024. Net position was restated to correct the amount recorded for the prior year capital asset deletion in the amount of (\$438,840.81) and to correct the balance of accounts receivable related to the SAFER Grant in the amount of (\$99,086.83).

Our analysis that follows focuses on the net position (Table 1) and changes in net position (Table 2) of the Fire District's governmental-type activities.

TABLE 1 NET POSITION AS OF DECEMBER 31,		
	<u>2024</u>	<u>(Restated) 2023</u>
Current and Other Assets	\$ 15,464,557.03	\$ 11,765,261.96
Capital Assets, net	<u>5,101,160.94</u>	<u>5,163,744.00</u>
Total Assets	<u>20,565,717.97</u>	<u>16,929,005.96</u>
Deferred Outflows of Resources	<u>11,971,172.00</u>	<u>12,090,985.00</u>
Other Liabilities	2,718,956.21	2,200,409.71
Long-Term Liabilities Outstanding	<u>14,302,532.27</u>	<u>12,390,093.19</u>
Total Liabilities	<u>17,021,488.48</u>	<u>14,590,502.90</u>
Deferred Inflows of Resources	<u>977,553.00</u>	<u>1,268,444.00</u>
Net Investment in Capital Assets	5,101,160.94	5,027,824.82
Restricted	1,469,405.62	1,469,405.62
Unrestricted (Deficit)	<u>7,967,281.93</u>	<u>6,663,813.62</u>
Total Net Position (Deficit)	<u>\$ 14,537,848.49</u>	<u>\$ 13,161,044.06</u>

In total, assets increased by \$3,636,712.01, deferred outflows of resources decreased by \$119,813.00, liabilities increased by \$2,430,985.58, and deferred inflows of resources decreased by \$290,891.00. The net increase in assets was primarily attributable to the increase in cash and cash equivalents of \$3,629,071.12.

The change in deferred outflows and liabilities and the change in deferred inflows are mainly attributable to the change in the Fire District's proportionate share of its liability associated with the Public Employees' Retirement System (PERS) and the Police and Fireman's Retirement System (PFRS) (see note 7 of the notes to financial statements). The incorrect beginning balance of the Fire District's proportionate share of net pension liability was used in the prior year actuary report provided to the New Jersey Division of Pensions and Benefits. As a result, this caused a misstatement in balances in the prior year. Such misstated balances are amortized over several years in accordance with the table reported in note 7. Thus, causing some balances to be materially misstated for the year ended December 31, 2024. This resulted in a qualified opinion on the governmental activities. As a result, the balance of deferred outflows of resources and net position on the statement of net position as of December 31, 2024, the balance of pension expense and change in net position on the statement of activities for the year ended December 31, 2024, and related notes to the financial statements are misstated.

\$5,101,160.94 of the Fire District's net position at the end of the current year reflects its net investment in capital assets (i.e., equipment, vehicles, etc.). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

THE FIRE DISTRICT AS A WHOLE (CONT'D)

The Fire District uses these assets to provide fire-fighting and emergency medical services to the citizens of the Township of Evesham; consequently, these assets are not available for future spending. Although the Fire District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional component of the Fire District's net position, \$1,469,405.62, represents resources that are restricted. These amounts consist of amounts restricted for a voter-approved capital project with a balance of \$51,405.62, and amounts set aside for future capital outlays with a balance of \$1,418,000.00.

The third and final component of net position is unrestricted. The unrestricted net position at year-end is \$7,967,281.93. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position.

Table 2 that follows illustrates the changes in net position of the Fire District's governmental activities.

TABLE 2 CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31,		
	<u>2024</u>	<u>(Restated) 2023</u>
Expenses:		
Operating Appropriations:		
Administration	\$ 985,227.69	\$ 255,870.93
Cost of Operations and Maintenance	11,614,668.38	(1,524,319.67)
Operating Appropriations Offset with Revenues	313,545.31	278,677.21
Interest on Long-Term Debt	359.23	6,601.49
Total Program Expenses	12,913,800.61	(983,170.04)
Program Revenues:		
Charges for Services	2,012,790.70	1,878,232.85
Operating Grants and Contributions	344,923.03	256,506.00
Capital Grants and Contributions	19,999.97	
Net Program Expenses	10,536,086.91	(3,117,908.89)
General Revenues:		
Property Taxes:		
Levied for General Purposes	11,754,308.16	10,107,499.09
Levied for Debt Service	252,952.98	259,195.24
Investment Earnings	500,234.77	123,484.40
Miscellaneous Income	45,844.53	111,866.72
Gain (Loss) on Sale of Capital Assets		132,234.19
Total General Revenues	12,553,340.44	10,734,279.64
Change in Net Position	2,017,253.53	13,852,188.53
Net Position (Deficit), January 1	13,161,044.06	(691,144.47)
Prior Period Adjustment	(640,449.10)	-
Net Position (Deficit), January 1, Restated	12,520,594.96	(691,144.47)
Net Position (Deficit), December 31	\$ 14,537,848.49	\$ 13,161,044.06

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

THE FIRE DISTRICT AS A WHOLE (CONT'D)

During 2024, the Fire District's revenues increased by \$2,062,035.65, increasing from \$12,869,018.49 in 2023 to \$14,931,054.14 in 2024. The net increase in revenues is largely attributable to the following:

- Tax levy increased by \$1,640,566.81.

Other revenues of the Fire District increased or decreased from 2023 but only by marginal amounts.

Property taxes constituted approximately eighty (80%) of total revenues for governmental activities for the Fire District for the year 2024. In addition, charges for services, which resulted from emergency medical service billings and uniform fire safety act fees, operating grants and contributions, capital grants and contributions, investment earnings, and miscellaneous income constituted approximately eighteen percent (20%) of total revenues for governmental activities.

During 2024, the Fire District's expenses increased by \$13,896,970.65, increasing from (\$983,170.04) in 2023 to \$12,913,800.61 in 2024. The primary cause of this increase was attributable to the Fire District's pension expense. As previously stated, the pension expense recorded in 2024 and 2023 are misstated and as a result the independent auditor's report contains a qualified opinion on the governmental activities.

THE FIRE DISTRICT'S FUNDS

As the Fire District completed the year, its governmental funds reported a *combined* fund balance of \$15,274,938.82, which is an increase over last year's total *combined* fund balance of \$11,591,672.00. Of the combined ending fund balances of \$15,274,938.82, approximately sixty percent (60%) constitutes unassigned fund balance in the amount of \$9,206,017.52. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because of the following: (1) restricted for capital projects (\$1,469,405.62), (2) assigned to liquidate contracts and purchase orders of the prior period (\$3,144,515.68), and (3) assigned to the 2025 budget for subsequent year's expenditures (\$1,455,000.00).

General fund - The general fund is the general operating fund of the Fire District and is used to account for the inflows and outflows its of financial resources. The acquisition of certain capital assets, such as firefighting and emergency medical apparatus and equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current year, the Fire District's unassigned fund balance resided in the general fund, which totaled \$9,206,017.52.

During the current year, the fund balance of the Fire District's general fund increased by \$3,683,266.82. The primary factors affecting the fund balance of the general fund are as follows:

- revenues exceed the amount anticipated by \$1,034,230.02, which was mainly attributable to emergency medical billings, interest on investments and deposits, and annual registration fees; and
- expenditures were less than the amount budgeted by \$5,406,463.00.

Special revenue fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Fire District did not have any activity in this fund during the current year.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

THE FIRE DISTRICT'S FUNDS (CONT'D)

Capital projects fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities such as fire houses, firefighting apparatus, and emergency medical equipment. Generally, the financial resources of the capital projects fund are derived from the issuance of debt or by the utilization of fund balance, which must be authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

At the annual election held on February 18, 2017, the Fire District proposed a capital ballot question to the voters. The voter-approved ballot question authorized the Fire District to acquire a heavy rescue fire apparatus, conduct renovations on the main street station, and acquire equipment for said renovations. The Fire District was approved to expend an amount not to exceed \$1,275,000.00 for the foregoing capital projects. As of December 31, 2024, the restricted fund balance in the capital projects fund is \$51,405.62.

Debt service fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expend for principal and interest. For the current year, the Fire District expended \$250,000.00 and \$2,952.98, representing the payment of principal and interest, respectively.

Budgetary Highlights

General fund - During the months of November and December of the current year, the Fire District modified its general fund budget through budgetary line-item transfers approved by the governing body. The final budgetary basis revenue estimate was \$13,369,296.14.

The final budgetary basis expenditure appropriation estimate was \$16,126,722.34. The final budget estimate exceeded actual expenditures incurred by \$5,406,463.00, thus aiding the Fire District in the replenishment of fund balance utilized in previous years' budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Fire District's net investment in capital assets for its governmental activities as of December 31, 2024 amounts to a historical cost of \$14,629,465.35, or \$5,101,160.94 net of accumulated depreciation (see Table 3). This net investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, equipment, and computer equipment. The net change in capital assets was mainly attributable to the following:

- the Fire District paid for parking lot improvements and new fire house bay doors at one of the fire houses, costing \$133,738.70 and \$128,500.00, respectively;
- the Fire District purchased an ambulance that had a total historical cost of \$150,882.24; and
- depreciation expense for the current year was \$683,725.57.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

TABLE 3 CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) AS OF DECEMBER 31,		
	<u>2024</u>	(Restated) <u>2023</u>
Land	\$ 458,658.49	\$ 458,658.49
Construction in Progress	434,372.97	587,597.27
Buildings and Improvements	1,334,457.51	916,561.24
Vehicles	2,273,092.32	2,522,120.28
Equipment	588,132.14	678,806.72
Computer Equipment	12,447.51	
Total	<u>\$ 5,101,160.94</u>	<u>\$ 5,163,744.00</u>

Additional information on the Fire District's capital assets can be found in note 5 of the notes to financial statements.

Debt Administration

General Obligation Bonds. During 2024 the Fire District made the final payment in the amount of \$250,000.00 on their previously outstanding general obligation bond.

Refer to supplementary information exhibit I-1, schedule of general obligation bonds, for more detail.

Net Pension Liability. The Fire District's annual required contribution to the Public Employees' Retirement System and the Police and Firemen's Retirement System are budgeted and paid on an annual basis. For additional details on the net pension liability, see note 7 to the financial statements.

Compensated Absences. At the end of the current year, the liability for compensated absences was \$1,512,971.27. A liability for compensated absences is recognized for leave that is attributable to services already rendered, accumulates, and that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. For additional details on compensated absences, see note 1 and note 11 to the financial statements.

Additional information on the Fire District's debt can be found in note 6 of the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2024 year, the Fire District was able to sustain its budget through property taxes, emergency medical services billings, uniform fire safety act annual registration fees, interest on investments and deposits, and other miscellaneous revenue sources. Approximately eighty-two percent (82%) of total revenue is from property taxes. The 2025 budget was adopted on November 12, 2024 by the Fire Commissioners.

CONTACTING THE FIRE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Township of Evesham Fire District No. 1's finances for all those with an interest in the Fire District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Maureen Mitchell, Business Administrator, at the Evesham Township Fire District No. 1, 984 Tuckerton Road, Evesham, New Jersey 08053, or email at mmitchell@eveshamfire.org.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Statement of Net Position

December 31, 2024

ASSETS:

Cash and Cash Equivalents	\$ 15,060,316.73
Accounts Receivable, net	404,240.30
Capital Assets, net	<u>5,101,160.94</u>
Total Assets	<u>20,565,717.97</u>

DEFERRED OUTFLOWS OF RESOURCES:

Related to Pensions	<u>11,971,172.00</u>
Total Deferred Outflows of Resources	<u>11,971,172.00</u>

LIABILITIES:

Accounts Payable:	
Other	174,909.39
Pensions	1,686,225.00
Unemployment Compensation Claims Payable	14,708.82
Accrued Liabilities:	
Pensions	843,113.00
Noncurrent Liabilities:	
Due within One Year	99,989.54
Due beyond One Year	<u>14,202,542.73</u>
Total Liabilities	<u>17,021,488.48</u>

DEFERRED INFLOWS OF RESOURCES:

Related to Pensions	<u>977,553.00</u>
Total Deferred Inflows of Resources	<u>977,553.00</u>

NET POSITION:

Net Investment in Capital Assets	5,101,160.94
Restricted for:	
Capital Projects	1,469,405.62
Unrestricted	<u>7,967,281.93</u>
Total Net Position	<u>\$ 14,537,848.49</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Statement of Activities
For the Year Ended December 31, 2024

Expenses:

Operating Appropriations:	
Administration	\$ 985,227.69
Cost of Operations and Maintenance	11,614,668.38
Operating Appropriations Offset with Revenues	313,545.31
Interest on Long-Term Debt	<u>359.23</u>
Total Program Expenses	<u>12,913,800.61</u>
Program Revenues:	
Charges for Services	2,012,790.70
Operating Grants and Contributions	344,923.03
Capital Grants and Contributions	<u>19,999.97</u>
Net Program Expenses	<u>10,536,086.91</u>
General Revenues:	
Property Taxes:	
Levied for General Purposes	11,754,308.16
Levied for Debt Service	252,952.98
Investment Earnings	500,234.77
Miscellaneous Income	<u>45,844.53</u>
Total General Revenues	<u>12,553,340.44</u>
Change in Net Position	<u>2,017,253.53</u>
Net Position, January 1	13,698,971.70
Prior Period Adjustment	<u>(1,178,376.74)</u>
Net Position, January 1, (Restated)	<u>12,520,594.96</u>
Net Position, December 31	<u>\$ 14,537,848.49</u>

The accompanying notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Governmental Funds

Balance Sheet

December 31, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 15,008,911.11		\$ 51,405.62		\$ 15,060,316.73
Intergovernmental Accounts Receivable:					
Federal	75,000.00				75,000.00
Accounts Receivable, net	329,240.30				329,240.30
Total Assets	<u>\$ 15,413,151.41</u>	<u>-</u>	<u>\$ 51,405.62</u>	<u>-</u>	<u>\$ 15,464,557.03</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 125,814.56				\$ 125,814.56
Payroll Deductions and Withholdings Payable	49,094.83				49,094.83
Unemployment Compensation Claims Payable	14,708.82				14,708.82
Total Liabilities	<u>189,618.21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,618.21</u>
Fund Balances:					
Restricted:					
Capital Projects	1,418,000.00		\$ 51,405.62		1,469,405.62
Assigned:					
Other Purposes	3,144,515.68				3,144,515.68
Designated for Subsequent Year's Expenditures	1,455,000.00				1,455,000.00
Unassigned	9,206,017.52				9,206,017.52
Total Fund Balances	<u>15,223,533.20</u>	<u>-</u>	<u>51,405.62</u>	<u>-</u>	<u>15,274,938.82</u>
Total Liabilities and Fund Balances	<u>\$ 15,413,151.41</u>	<u>-</u>	<u>\$ 51,405.62</u>	<u>-</u>	

(Continued)

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Governmental Funds
Balance Sheet
December 31, 2024

	Total Governmental <u>Funds</u>
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) 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 \$14,629,465.35, and the accumulated depreciation is \$9,528,304.41.	\$ 5,101,160.94
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	10,993,619.00
Accounts payable and accrued expenses related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(2,529,338.00)
Long-term liabilities, including bonds payable, compensated absences payable, and pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(14,302,532.27)</u>
Net position (deficit) of governmental activities	<u>\$ 14,537,848.49</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2024

	<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:					
Miscellaneous Anticipated Revenues	\$ 2,094,535.25				\$ 2,094,535.25
Operating Grant Revenue	90,348.00				90,348.00
Revenues Offset with Appropriations	418,490.22				418,490.22
Amount to be Raised by Taxation to Support the District Budget	11,754,308.16			\$ 252,952.98	12,007,261.14
Non-Budgetary Revenues:					
Other	45,844.53				45,844.53
Total Revenues	14,403,526.16	-	-	252,952.98	14,656,479.14
EXPENDITURES:					
Operating Appropriations:					
Administration	839,980.95				839,980.95
Cost of Operations and Maintenance	8,956,798.83				8,956,798.83
Operating Appropriations Offset with Revenues	302,337.05				302,337.05
Capital Appropriations	621,142.51				621,142.51
Debt Service:					
Principal				250,000.00	250,000.00
Interest and Other Charges				2,952.98	2,952.98
Total Expenditures	10,720,259.34	-	-	252,952.98	10,973,212.32
Excess (Deficiency) of Revenues over Expenditures	3,683,266.82	-	-	-	3,683,266.82

(Continued)

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balance, January 1	\$ 11,639,353.21		\$ 51,405.62		\$ 11,690,758.83
Prior Period Adjustment	<u>(99,086.83)</u>				<u>(99,086.83)</u>
Fund Balance, January 1 (Restated)	<u>11,540,266.38</u>	<u>-</u>	<u>51,405.62</u>	<u>-</u>	<u>11,591,672.00</u>
Fund Balance, December 31	<u><u>\$ 15,223,533.20</u></u>	<u><u>-</u></u>	<u><u>\$ 51,405.62</u></u>	<u><u>-</u></u>	<u><u>\$ 15,274,938.82</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
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, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ 3,683,266.82
Amounts reported for <i>governmental activities</i> in the statement of activities (A-2) are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (683,725.57)
Capital Outlays	<u>621,142.51</u>
	(62,583.06)
Revenue recognized from non-employer special funding situations with pension plans and OPEB plans (long-term liability) is not recognized as revenue in the fund financial statements but is recognized as revenue from contributions in the statement of activities.	274,575.00
The issuance of long-term and short-term debt (e.g., bonds, bond anticipation notes, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term and short-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are expensed in a systematic and rational manner over the duration of the related debt in the statement of activities. This amount is the net effect of these differences in the treatment of long-term and short-term debt and related items.	250,000.00
In the statement of activities, certain operating expenses, (e.g., compensated absences, pension, interest on debt), 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 earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).	<u>(2,128,005.23)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,017,253.53</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Evesham Fire District No. 1 (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 Evesham (the "Township"), Burlington County, New Jersey. The Township is comprised of an area of approximately 29.59 square miles. It is bounded by Mount Laurel to the North, Medford to the East, and Camden County to the West and South. The Township also surrounds the community of Marlton. As of the 2020 United States Census, the Township's population was 46,826. The Fire District was formed in May of 1968 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 following the vote held at the annual election.

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 and emergency medical services to the residents within its territorial location. The Fire District has three fire companies within its jurisdiction: the Marlton Fire Company No. 1, the Kettle Run Fire Company No. 1, and the Evesham Fire Company No. 1.

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. The fire commissioners must introduce and approve the annual budget not later than sixty days prior to the third Saturday in February. 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.

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 and exhibit I-3, includes all amendments and modifications to the adopted budget as approved by the Board of Fire 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, 2024.

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

Lease receivables recorded on the government-wide financial statements and in the governmental funds represents a contract that conveys control of the right to use the Fire District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The Fire District was not a lessor during the year ended December 31, 2024.

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, 2024. The Fire District had no prepaid expenses as of December 31, 2024.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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 used 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. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Fire District's capitalization threshold is \$5,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the Fire District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 20 Years
Vehicles	5 - 20 Years
Equipment	5 Years
Computer Equipment	5 Years

The Fire District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Fire District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

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.

Compensated Absences

Compensated absences are payments or settlements to employees for accumulated time such as paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave. A liability for compensated absences is recognized for leave that is attributable to services already rendered, accumulates, and that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The entire compensated absence liability, including applicable salary-related payments, is reported on the government-wide financial statements. Examples of salary-related payments include the employer share of Social Security and Medicare taxes. The current portion is the amount estimated to be used in the following year. The governmental funds use the current financial resources measurement focus, and therefore expenditures are recognized for the amount that normally would be liquidated with expendable available financial resources, as payments come due each period, for example, use of leave or as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 or amortization of intangible capital assets, 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.

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 either the Board of Fire Commissioners or by the Business Administrator, to which the Board of Fire Commissioners has delegated the authority to assign amounts to be used for specific purposes. Such authority of the Business Administrator is established by way of a formal job description for the position, approved by the Board of Fire Commissioners.

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

The Fire District's classifications, and policies for determining such classifications, are as follows (cont'd):

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.

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.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The Fire District implemented the following GASB Statement for the year ended December 31, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Because of the implementation of GASB Statement No. 101, the Fire District has reported and disclosed compensated absences in accordance with the Statement (notes 6 and 11).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statement that has an effective date that may affect future financial presentations:

Statement No. 103, *Financial Reporting Model Improvement*. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The Statement will become effective for the Fire District in the year ending December 31, 2026. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Fire District.

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.

As of December 31, 2024, the Fire District's bank balances totaled \$15,329,458.74. Of the total, \$299,866.00 was insured under FDIC and the remaining \$15,029,592.74 was insured under GUDPA.

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>
2024	\$ 5,303,217,056.00	\$ 12,007,261.14	\$.227
2023	5,291,683,726.00	10,366,694.33	.196
2022	5,293,645,468.00	10,366,695.00	.196
2021	5,285,568,270.00	9,995,124.00	.190
2020	5,284,891,663.00	8,673,781.00	.165

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2024 consisted of amounts owed from individuals and businesses located within the jurisdiction of the Fire District for various fees related to emergency medical service billings and balances due from the federal government for federal grants awarded to the Fire District. Not all receivables are considered collectible, thus an allowance for doubtful accounts was recorded.

Accounts receivable as of year-end for the Fire District's individual major funds, in the aggregate, is as follows:

	Governmental Fund Types - General Fund	Total Governmental Activities
Intergovernmental:		
Federal	\$ 75,000.00	\$ 75,000.00
Emergency Medical Services	1,800,365.83	1,800,365.83
Less: Allowance for Doubtful Accounts	<u>(1,471,125.53)</u>	<u>(1,471,125.53)</u>
Total	<u>\$ 404,240.30</u>	<u>\$ 404,240.30</u>

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 is as follows:

	(Restated) Balance Jan. 1, 2024	Increases	Transfers	Decreases	Balance Dec. 31, 2024
Capital Assets that are not being Depreciated:					
Land	\$ 458,658.49				\$ 458,658.49
Construction in Progress	587,597.27	\$ 75,367.55	\$ (228,591.85)		434,372.97
Total Capital Assets not being Depreciated	<u>1,046,255.76</u>	<u>75,367.55</u>	<u>(228,591.85)</u>	<u>-</u>	<u>893,031.46</u>
Capital Assets that are being Depreciated:					
Buildings and Improvements	6,700,505.17	276,108.85	228,591.85		7,205,205.87
Vehicles	5,133,408.42	166,842.24			5,300,250.66
Equipment	1,128,153.49	88,710.79			1,216,864.28
Computer Equipment	7,631.73	14,113.08		\$ (7,631.73)	14,113.08
Total Capital Assets, being Depreciated	<u>12,969,698.81</u>	<u>545,774.96</u>	<u>228,591.85</u>	<u>(7,631.73)</u>	<u>13,736,433.89</u>
Total Capital Assets, Cost	<u>14,015,954.57</u>	<u>621,142.51</u>	<u>-</u>	<u>(7,631.73)</u>	<u>14,629,465.35</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(5,783,943.93)	(86,804.43)			(5,870,748.36)
Vehicles	(2,611,288.14)	(415,870.20)			(3,027,158.34)
Equipment	(449,346.77)	(179,385.37)			(628,732.14)
Computer Equipment	(7,631.73)	(1,665.57)		7,631.73	(1,665.57)
Total Accumulated Depreciation	<u>(8,852,210.57)</u>	<u>(683,725.57) *</u>	<u>-</u>	<u>7,631.73</u>	<u>(9,528,304.41)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	<u>4,117,488.24</u>	<u>(137,950.61)</u>	<u>228,591.85</u>	<u>-</u>	<u>4,208,129.48</u>
Capital Assets, Net	<u>\$ 5,163,744.00</u>	<u>\$ (62,583.06)</u>	<u>-</u>	<u>-</u>	<u>\$ 5,101,160.94</u>

* Depreciation expense was charged to functions / programs of the Fire District as follows: cost of operations and maintenance \$683,725.57.

Note 6: LONG-TERM LIABILITIES

During the year ended December 31, 2024, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance Jan. 1, 2024	Additions	Deductions	Balance Dec. 31, 2024	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 250,000.00		\$ (250,000.00)		
Total Bonds Payable	250,000.00	-	(250,000.00)	-	-
Other Liabilities:					
Compensated Absences	1,360,996.29	\$ 1,018,079.52	(866,104.54)	\$ 1,512,971.27	\$ 99,989.54
Net Pension Liability	11,419,546.00	15,450,263.00	(14,080,248.00)	12,789,561.00	
Total Other Liabilities	12,780,542.29	16,468,342.52	(14,946,352.54)	14,302,532.27	99,989.54
Governmental Activities Long-Term Liabilities	\$ 13,030,542.29	\$ 16,468,342.52	\$ (15,196,352.54)	\$ 14,302,532.27	\$ 99,989.54

General Obligation Bonds - Bonds and loans are authorized in accordance with State law by the voters of the Fire District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Fire District are to be paid from property taxes. The Fire District budgets for the liquidation of its general obligation bonds in the debt service fund. During the year ended December 31, 2024 the Fire District made the final payment on their previously outstanding general obligation bond.

Debt Authorized but not Issued - As of December 31, 2024, the Fire District had no authorizations to issue additional debt.

Compensated Absences - Refer to note 11 for a description of the Fire District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 7. The Fire District's annual required contributions to Public Employees' Retirement System and Police and Firemen's Retirement System are budgeted and paid from the general fund on an annual basis.

Note 7: PENSION PLANS

Effective July 1, 2022 the Fire District obtained their own employer number through the New Jersey Division of Pensions and Benefits. Prior to this, the Fire District's employees were reported under the Township's employer number. The incorrect beginning balance of the Fire District's proportionate share of net pension liability was used in the actuary report provided to the New Jersey Division of Pensions and Benefits for the year ended December 31, 2023. As a result, this caused a misstatement in balances in the prior year. Such misstated balances are amortized over several years. Our report on the financial statements includes a qualified opinion on the governmental activities as a result of the above.

A substantial number of the Fire District's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Fire District employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Fire District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Fire District. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Fire District's contractually required contribution rate for the year ended December 31, 2024 was 17.13% of the Fire District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$79,756.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$86,314.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$34,916.58.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Fire District, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .55% of the Fire District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2024 was \$2,568.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2023 was \$2,917.00.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Fire District's contractually required contribution rate for the year ended December 31, 2024 was 35.01% of the Fire District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$1,606,469.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$1,263,170.00, which was paid on April 1, 2024. Employee contributions to the Plan for the year ended December 31, 2024 were \$462,318.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Fire District, for the year ended December 31, 2024 was 5.93% of the Fire District's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2024 was \$272,007.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2023 was \$220,926.00, which was paid on April 1, 2024.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Fire District's proportionate share of the PERS net pension liability was \$796,437.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Fire District's proportion of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Fire District's proportion was .0058613067%, which was a decrease of .0005967733% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Fire District's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date, was \$211,401.00.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Fire District, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$2,568.00. This on-behalf expense has been recognized by the Fire District in the government-wide financial statements.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Fire District's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 11,993,124.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	2,364,419.00
	<u>\$ 14,357,543.00</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Fire District's proportion of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Fire District's proportion was .1161381800%, which was an increase of .0212486800% from its proportion measured as of June 30, 2023. Likewise, as of June 30, 2024 the State of New Jersey's proportion, on-behalf of the Fire District, was .1161380800%, which was an increase of .0212486800% from its proportion, on-behalf of the Fire District, measured as of June 30, 2023.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2024, the Fire District's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date, was \$2,842,357.00.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Fire District, calculated by the Plan as of the June 30, 2024 measurement date, was \$272,007.00. This on-behalf expense has been recognized by the Fire District in the government-wide financial statements.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Fire District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 15,954.00	\$ 755,558.00	\$ 771,512.00	\$ 2,120.00	\$ 410,577.00	\$ 412,697.00
Changes of Assumptions	989.00	18,959.00	19,948.00	9,062.00	352,218.00	361,280.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	36,929.00	93,868.00	130,797.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	652,598.00	9,684,001.00	10,336,599.00	72,779.00	-	72,779.00
Contributions Subsequent to the Measurement Date	39,878.00	803,235.00	843,113.00	-	-	-
	<u>\$ 709,419.00</u>	<u>\$ 11,261,753.00</u>	<u>\$ 11,971,172.00</u>	<u>\$ 120,890.00</u>	<u>\$ 856,663.00</u>	<u>\$ 977,553.00</u>

Deferred outflows of resources in the amounts of \$39,878.00 and \$803,235.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Fire District's year end of December 31, 2024.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Fire District will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ 165,717.00	\$ 1,696,841.00	\$ 1,862,558.00
2026	219,259.00	2,991,197.00	3,210,456.00
2027	174,713.00	2,047,550.00	2,222,263.00
2028	(9,842.00)	2,069,839.00	2,059,997.00
2029	(1,196.00)	753,683.00	752,487.00
Thereafter	-	42,745.00	42,745.00
	<u>\$ 548,651.00</u>	<u>\$ 9,601,855.00</u>	<u>\$ 10,150,506.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability, was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Public Employees' Retirement System

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Police and Firemen's Retirement System**

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

<u>PERS</u>			<u>PFRS</u>		
	<u>Target</u>	<u>Long-Term</u>		<u>Target</u>	<u>Long-Term</u>
<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>	<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	Real Estate Non-Core	4.00%	6.50%
	<u>100.00%</u>		Infrastructure	3.00%	7.00%
			Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
				<u>100.00%</u>	

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Fire District's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Fire District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 1,058,269.00	\$ 796,437.00	\$ 573,619.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Fire District's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date for the Fire District and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 17,135,507.00	\$ 11,993,124.00	\$ 7,710,647.00
State of New Jersey's Proportionate Share of Net Pension Liability	3,378,229.00	2,364,419.00	1,520,138.00
	<u>\$ 20,513,736.00</u>	<u>\$ 14,357,543.00</u>	<u>\$ 9,230,785.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS' and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the State Health Benefit Local Government Retired Employees Plan**

Plan Description and Benefits Provided - The Fire District does not provide postemployment benefits to its retirees; however, the State of New Jersey (the "State") provides these benefits to certain Fire District retirees and their dependents under a special funding situation as described below.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - The State, on-behalf of the Fire District, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Special Funding Situation Component (Cont'd) - Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Fire District, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Fire District, is (\$1,175,070.00) for the year ended December 31, 2024, representing 25.61% of the Fire District's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2024, the State's proportionate share of the net OPEB liability associated with the Fire District was \$12,128,738.00. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State's proportion of the net OPEB liability, associated with the Fire District, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2023 through June 30, 2024. For the June 30, 2024 measurement date, the State's proportion on-behalf of the Fire District was .248711%, which was an increase of .001606% from its proportion measured as of the June 30, 2023 measurement date.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PFRS – Rates for all future years	3.25% to 16.25% based on years of service
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Mortality

Pre-Retirement Healthy – PFRS	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Post-Retirement Healthy – Chapter 330 Retirees	
Disabled Retiree – PFRS Future Retirees	
Disabled Retiree – Chapter 330 Retirees	

* salary increases are based on years of service within the respective Plan.

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2023	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	\$ 14,128,673.00	\$ 12,128,738.00	\$ 10,526,968.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	\$ 10,258,437.00	\$ 12,128,738.00	\$ 14,533,420.00

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: 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.

New Jersey Unemployment Compensation Insurance - The Fire District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Fire District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Fire District is billed quarterly for amounts due to the State.

Prior to 2023, the Fire District would reimburse the Township for any unemployment invoices received for Fire District employees. Starting in 2023, the Fire District started processing payroll and remitting their own quarterly reports to the State. The following is a summary of the activity of the Fire District for the unemployment claims for the current and previous year:

					<u>Ending Balance</u>	
<u>Year</u>	<u>Fire District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Claims Payable</u>	<u>Restricted Fund Balance</u>
2024	-	\$ 7,859.70	-	\$ 550.79	\$ 14,708.82	-
2023	-	7,399.91	-	-	7,399.91	-

Note 9: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund - The Fire District, through the Township of Evesham, is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation
General Liability
Auto Liability
Property / Boiler & Machinery
Auto Physical Damage
Public Officials
Non-owned Aircraft Liability
Employment Practices Liability Coverage subject to the compliance program
Environmental Impairment Liability Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Fire District with the following coverage:

Property
Crime
Casualty (Liability)
Business Automobile
Workers' Compensation
Environmental Legal Liability
Storage Tank System Third-Party Liability
Public Employee Bond
Public Officials and Employment Liability
Volunteer Emergency Services Directors and Officers Liability

Contributions to the Fund, are payable in semiannual premiums and is based on actuarial assumptions determined by the Fund's actuary. The Fire District's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000.00 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2024, which can be obtained from:

Professional Municipal Management JIF
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663

Note 10: DEFERRED COMPENSATION

The Fire District offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Fire District or its creditors. Since the Fire District does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Fire District's financial statements.

Note 11: COMPENSATED ABSENCES

Fire District employees earn paid vacation, personal, and sick leave based upon individual employment contracts. Vacation, personal, and sick leave not used during the year may be accumulated up to a maximum number of hours based upon individual employment contracts. At time of termination or retirement, employees are compensated at their current rate of pay for unused time accordance with such employment contracts.

As of December 31, 2024, the liability for vested compensated absences reported on the government-wide statement of net position was \$1,512,971.27.

Note 12: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Fire District expects such amount, if any, to be immaterial.

Note 13: 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 14: FUND BALANCES APPROPRIATED - GENERAL FUND

The 2025 annual budget of the Fire District was adopted on November 12, 2024. The adopted budget utilized \$1,455,000.00 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>
2024	\$ 15,223,533.20	\$ 1,455,000.00
2023 ^(r)	11,540,266.38	1,955,000.00
2022	10,167,910.44	1,420,000.00
2021	8,795,745.26	1,420,000.00
2020	7,020,251.37	1,420,000.00

^(r) restated

Note 15: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (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. Specific restrictions of the Fire District's fund balance are summarized as follows:

General Fund -

Capital Projects (Future Capital Outlays) - These funds are restricted for future capital expenditures to be made in future years. When the Fire District desires to utilize these funds in their annual budget, a capital resolution must be passed by the Board of Fire Commissioners prior to any expenditure against a capital appropriation. As of December 31, 2024, the balance is \$1,418,000.00, none of which is designated for subsequent year's expenditures.

Capital Projects Fund -

Capital Projects - At the annual election held on February 18, 2017, the Fire District proposed a capital ballot question to the voters. The voter-approved capital project authorized the Fire District to acquire a Heavy Rescue Fire Apparatus, together with associated equipment; renovations and improvements to the Main Street Station, Kings Grant Station and Kettle Run Station; and the acquisition of furniture, fixtures, and equipment for said renovations and improvements, together with such other work or improvements as may be necessary or appropriate to acquire such fire apparatus and complete said renovations and improvements. The Fire District was approved to expend an amount not to exceed \$1,275,000.00 for the foregoing capital projects. As of December 31, 2024, the restricted fund balance of this project is \$51,405.62.

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

Other Purposes - As of December 31, 2024, the Fire District had \$3,144,515.68 of encumbrances outstanding for purchase orders and contracts signed by the Fire District, but not completed, as of the close of the year.

For Subsequent Year's Expenditures - The Fire District has appropriated and included as an anticipated revenue for the year ending December 31, 2025, \$1,455,000.00 of general fund balance at December 31, 2024.

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, 2024, \$9,206,017.52 of general fund balance was unassigned.

Note 16: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

For the year ended December 31, 2024, the Fire District adopted a change in accounting principle because of the implementation of new authoritative pronouncement, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As a result, net position as of January 1, 2024 has been restated.

In addition, during the year ended December 31, 2024, the Fire District became aware of a prior year capital asset deletion in which the accumulated depreciation and gain on sale of asset were recorded for the incorrect amount. As a result, net position as of January 1, 2024 has been restated.

Lastly, during the year ended December 31, 2024, the Fire District received notification that their appeal for the SAFER grant was denied and therefore the accounts receivable balance recorded prior to 2023 in the general fund, was deemed uncollectible. As a result, net position as of January 1, 2024 has been restated.

The following table illustrates the effect on beginning net position, as a result of the items above:

	Governmental Activities
Beginning Net Position as Previously Reported at January 1, 2024	\$ 13,698,971.70
Prior Period Adjustment(s):	
Implementation of GASB Statement No. 101:	
Noncurrent Liabilities:	
Compensated Absences	\$ (640,449.10)
Prior Year Capital Asset Deletion Recorded Incorrectly:	
Capital Assets, Net	(438,840.81)
SAFER Grant Appeal Denied:	
Accounts Receivable, Net	(99,086.83)
	<u>(1,178,376.74)</u>
Net Position as Restated, January 1, 2024	<u>\$ 12,520,594.96</u>

As previously mentioned above, the Fire District received notification during 2024 that their appeal for the SAFER grant was denied and therefore the accounts receivable balance was deemed uncollectible. As a result, fund balance as of January 1, 2024 has been restated. The cumulative effect on the financial statements is as follows:

	General Fund
Beginning Fund Balance as Previously Reported at January 1, 2024	\$ 11,639,353.21
Prior Period Adjustment:	
SAFER Grant Appeal Denied:	
Accounts Receivable, Net	(99,086.83)
Fund Balance as Restated, January 1, 2024	<u>\$ 11,540,266.38</u>

Note 16: RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS (CONT'D)

The following financial statement line items for the year ended December 31, 2023, were affected by the capital asset deletion and uncollectible accounts receivable balance described above:

	As Previously Reported	As Restated	Effect of Change
Statement of Net Position			
ASSETS:			
Accounts Receivable, net	\$ 433,103.18	\$ 334,016.35	\$ (99,086.83)
Capital Assets, net	5,602,584.81	5,163,744.00	(438,840.81)
NET POSITION:			
Net Investment in Capital Assets	5,466,665.63	5,027,824.82	(438,840.81)
Unrestricted	6,762,900.45	6,663,813.62	(99,086.83)
Statement of Activities			
General Revenues:			
Gain (Loss) on Sale of Capital Assets	571,075.00	132,234.19	(438,840.81)
Net Position (Deficit), January 1	(592,057.64)	(691,144.47)	(99,086.83)
Net Position, December 31	13,698,971.70	13,161,044.06	(537,927.64)
Balance Sheet			
ASSETS:			
Accounts Receivable, net	300,168.35	201,081.52	(99,086.83)
LIABILITIES AND FUND BALANCES:			
Fund Balances:			
Unassigned	7,463,927.01	7,364,840.18	(99,086.83)
Statement of Revenues, Expenditures, and Changes in Fund Balance			
Fund Balance, January 1	10,167,910.44	10,068,823.61	(99,086.83)
Fund Balance, December 31	11,639,353.21	11,540,266.38	(99,086.83)

Note 17: SUBSEQUENT EVENTS

Capital Projects - On September 10, 2024, the Fire District approved a capital project for (i) the acquisition of a fire engine truck with related equipment; (ii) acquisition of Fire/EMS equipment including AED's, gas detectors, suction machines, firefighter personal protective equipment and hose; and (iii) building improvements to include doors, parking improvements, building renovations, storage building, drainage, concrete, carpet, audio visual equipment, and safety enhancements. The total cost of such project is not to exceed \$1,880,000.00. No debt is authorized for such project as it is to be fully funded through the 2025 budget, as adopted.

On September 9, 2025, the Fire District approved a capital project for (i) the acquisition of a fire engine truck and water rescue boats with all related equipment; (ii) acquisition of Fire/EMS equipment including AED's, gas detectors, suction machines, firefighter personal protective equipment; and (iii) building improvements to include doors, generator, building renovations, storage building, drainage, concrete, flooring, fuel filling equipment, and safety enhancements, including related station equipment. The total cost of such project is not to exceed \$3,862,000.00. No debt is authorized for such project. \$2,662,000.00 will be funded through the 2026 budget, as introduced. The remaining amount of \$1,200,000.00 will be funded through future budget appropriations.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Miscellaneous Anticipated Revenues:					
Interest on Investments and Deposits	\$ 50,000.00		\$ 50,000.00	\$ 500,234.77	\$ 450,234.77
Shared Services (N.J.S.A. 40A:65-1 et seq.)	10,000.00		10,000.00	10,000.00	
Other Revenue - EMS Billing	1,150,000.00		1,150,000.00	1,584,300.48	434,300.48
Total Miscellaneous Anticipated Revenues	1,210,000.00	-	1,210,000.00	2,094,535.25	884,535.25
Operating Grant Revenue:					
Supplemental Fire Services Act (P.L. 1985, Ch. 295)	13,848.00		13,848.00	13,848.00	
ARP Firefighter 2024 Grant		\$ 75,000.00	75,000.00	75,000.00	
Burlington County 200 Club Advanced Training Award		1,500.00	1,500.00	1,500.00	
Total Operating Grant Revenue	13,848.00	76,500.00	90,348.00	90,348.00	-
Revenues Offset with Appropriations:					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Annual Registration Fees	305,000.00		305,000.00	405,950.22	100,950.22
Penalties and Fines	9,500.00		9,500.00	11,000.00	1,500.00
Other Revenues	500.00		500.00	1,540.00	1,040.00
Total Revenues Offset with Appropriations	315,000.00	-	315,000.00	418,490.22	103,490.22
Amount to be Raised by Taxation to Support the District Budget	11,753,948.14	-	11,753,948.14	11,754,308.16	360.02
Total Anticipated Revenues	13,292,796.14	76,500.00	13,369,296.14	14,357,681.63	988,385.49
Non-Budgetary Revenues:					
Miscellaneous	-	-	-	45,844.53	45,844.53
Total Revenues	13,292,796.14	76,500.00	13,369,296.14	14,403,526.16	1,034,230.02

(Continued)

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	<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:					
Operating Appropriations:					
Administration:					
Salary and Wages:					
Commissioners	\$ 7,500.00		\$ 7,500.00	\$ 6,875.00	\$ 625.00
Business Manager	137,194.00		137,194.00	137,193.18	0.82
Assistant Business Manager	88,702.48		88,702.48	88,702.48	
Administrative Coordinator	52,958.75		52,958.75	46,816.88	6,141.87
Management Information System Coordinator	107,625.00		107,625.00	107,625.00	
Fringe Benefits	152,796.05		152,796.05	134,907.22	17,888.83
Other Expenses:					
Legal Advertising	3,000.00		3,000.00	716.53	2,283.47
Dues & Subscriptions	10,000.00		10,000.00	5,075.59	4,924.41
Stationary & Office Supplies	20,000.00		20,000.00	4,693.05	15,306.95
Legal Services	41,311.00	\$ 33,689.00	75,000.00	74,017.22	982.78
Audit	28,000.00		28,000.00	28,000.00	
Other Professional Services	257,012.94		257,012.94	203,454.93	53,558.01
Recruit Administration	15,000.00		15,000.00		15,000.00
Postage	3,000.00		3,000.00	1,903.87	1,096.13
Total Administration	<u>924,100.22</u>	<u>33,689.00</u>	<u>957,789.22</u>	<u>839,980.95</u>	<u>117,808.27</u>
Cost of Operations and Maintenance:					
Salary and Wages:					
Chief	168,151.25	2,100.00	170,251.25	170,208.13	43.12
Deputy Chiefs	330,501.22		330,501.22	330,501.22	
Captains	903,153.60		903,153.60	301,051.20	602,102.40
Lieutenants	713,391.45		713,391.45	713,391.45	
Firefighters / EMT	2,964,000.00		2,964,000.00	2,772,116.13	191,883.87
Per Diem EMT & Part Time	283,800.00		283,800.00	178,006.04	105,793.96
Full Time - EMT	109,000.00		109,000.00	86,092.80	22,907.20
Overtime, Holiday Pay, Shift Differential	450,000.00		450,000.00	314,901.86	135,098.14
Leave Buy-back	250,000.00		250,000.00	137,299.99	112,700.01
Compensated Absences	75,000.00		75,000.00	29,096.07	45,903.93

(Continued)

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Required Supplementary Information - Part II

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Operating Appropriations (Cont'd):					
Cost of Operations and Maintenance (Cont'd):					
Salary and Wages (Cont'd):					
Salary Adjustments	\$ 30,000.00	\$ (2,100.00)	\$ 27,900.00		\$ 27,900.00
Volunteer Incentive Pay-Fire Duty Crew	264,000.00		264,000.00	\$ 185,625.00	78,375.00
Fringe Benefits	3,291,522.35	(95,000.00)	3,196,522.35	2,658,362.04	538,160.31
Other Expenses:					
Motor Fuel	75,000.00		75,000.00	58,534.56	16,465.44
Insurance	125,000.00		125,000.00	89,810.00	35,190.00
Radio Maintenance	5,204.75		5,204.75	2,184.22	3,020.53
Equipment Maintenance	62,150.00		62,150.00	27,375.23	34,774.77
Building Maintenance	72,000.00	19,000.00	91,000.00	82,563.56	8,436.44
Vehicle Maintenance	97,886.79	28,000.00	125,886.79	94,495.85	31,390.94
Member Benefits	90,500.00	(7,000.00)	83,500.00	82,514.60	985.40
Fire Hydrant Service	180,000.00		180,000.00	177,276.00	2,724.00
Rent	12,500.00		12,500.00		12,500.00
Supplies	25,000.00		25,000.00	23,883.07	1,116.93
Training	119,540.00	1,500.00	121,040.00	92,839.24	28,200.76
Uniform Expense	67,705.82	15,000.00	82,705.82	48,184.48	34,521.34
Utilities	175,000.00		175,000.00	166,362.03	8,637.97
Operating Contingency	40,047.40	8,546.53	48,593.93	44,840.78	3,753.15
EMS Billing Service	50,000.00	(2,235.53)	47,764.47	44,076.61	3,687.86
ARP Firefighter Grant	19,999.97	75,000.00	94,999.97	19,999.97	75,000.00
Firefighting Tools & Misc. Equipment	38,501.62		38,501.62	26,579.45	11,922.17
Computer Hardware & Equipment	53,093.55		53,093.55	42,409.48	10,684.07
Total Cost of Operations and Maintenance	11,141,649.77	42,811.00	11,184,460.77	9,000,581.06	2,183,879.71
Operating Appropriations Offset with Revenues:					
Salary and Wages:					
Lieutenants	142,678.29		142,678.29	142,678.29	
Firefighters / EMT	129,566.69		129,566.69	129,566.69	
Other Expenses:					
Stationary & Office Supplies	4,500.00		4,500.00	3,958.24	541.76
Code Enforcement Publications	3,500.00		3,500.00	502.19	2,997.81
Uniform Expense	2,000.00		2,000.00	1,315.45	684.55

(Continued)

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2024

	<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):					
Operating Appropriations Offset with Revenues (Cont'd):					
Other Expenses (Cont'd):					
Fire Prevention Materials	\$ 23,500.00		\$ 23,500.00	\$ 15,969.43	\$ 7,530.57
Fire Prevention Training	9,255.02		9,255.02	8,346.76	908.26
Total Operating Appropriations Offset with Revenues	<u>315,000.00</u>	<u>-</u>	<u>315,000.00</u>	<u>302,337.05</u>	<u>12,662.95</u>
Capital Appropriations					
Capital Improvements					
Acquisition of Equipment for Fire & EMS	127,804.75		127,804.75	70,360.99	57,443.76
Building Repairs, Improvements & Station Equipment	634,958.95		634,958.95	356,117.05	278,841.90
Apparatus & Vehicle Acquisition	<u>2,906,708.65</u>		<u>2,906,708.65</u>	<u>150,882.24</u>	<u>2,755,826.41</u>
Total Capital Appropriations	<u>3,669,472.35</u>	<u>-</u>	<u>3,669,472.35</u>	<u>577,360.28</u>	<u>3,092,112.07</u>
Total Expenditures	<u>16,050,222.34</u>	<u>\$ 76,500.00</u>	<u>16,126,722.34</u>	<u>10,720,259.34</u>	<u>5,406,463.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,757,426.20)</u>	<u>-</u>	<u>\$ (2,757,426.20)</u>	<u>3,683,266.82</u>	<u>\$ 6,440,693.02</u>
Fund Balance, January 1				11,639,353.21	
Prior Period Adjustment				<u>(99,086.83)</u>	
Fund Balance, January 1 (Restated)				<u>11,540,266.38</u>	
Fund Balance, December 31				<u>\$ 15,223,533.20</u>	
Recapitulation:					
Restricted				\$ 1,418,000.00	
Assigned:					
Year-End Encumbrances				3,144,515.68	
For Subsequent Year's Expenditures				1,455,000.00	
Unassigned				<u>9,206,017.52</u>	
				<u>\$ 15,223,533.20</u>	

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Required Supplementary Information - Part II

Budgetary Comparison Schedule

Note to Required Supplementary Information

For the Year Ended December 31, 2024

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule(s).	<u>\$ 14,403,526.16</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2).	<u><u>\$ 14,403,526.16</u></u>	<u><u>-</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule(s).	<u>\$ 10,720,259.34</u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2).	<u><u>\$ 10,720,259.34</u></u>	<u><u>-</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS**

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Required Supplementary Information - Part III
Schedule of the Fire District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Plan Years

	<u>Measurement Date Ended June 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fire District's Proportion of the Net Pension Liability	0.0058613067%	0.0064580800%	0.0043964353%	0.0038443816%	0.0038098098%
Fire District's Proportionate Share of the Net Pension Liability	\$ 796,437.00	\$ 935,412.00	\$ 663,483.00	\$ 455,425.00	\$ 621,280.00
Fire District's Covered Payroll (Plan Measurement Period)	\$ 396,144.00	\$ 577,128.00	\$ 304,664.00	\$ 280,404.00	\$ 277,404.00
Fire District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	201.05%	162.08%	217.78%	162.42%	223.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%
	<u>Measurement Date Ended June 30,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire District's Proportion of the Net Pension Liability	0.0039814759%	0.0028127726%	0.0034185315%	0.0033951631%	0.0033860539%
Fire District's Proportionate Share of the Net Pension Liability	\$ 717,402.00	\$ 553,826.00	\$ 795,780.00	\$ 1,005,550.00	\$ 760,101.00
Fire District's Covered Payroll (Plan Measurement Period)	\$ 280,536.00	\$ 192,204.00	\$ 241,644.00	\$ 237,324.00	\$ 235,680.00
Fire District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	255.73%	288.14%	329.32%	423.70%	322.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part III
 Schedule of the Fire District's Contributions
 Public Employees' Retirement System (PERS)
Last Ten Years

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fire District's Contractually Required Contribution	\$ 79,756.00	\$ 86,314.00	\$ 55,441.00	\$ 45,022.00	\$ 41,677.00
Fire District's Contribution in Relation to the Contractually Required Contribution	<u>(79,756.00)</u>	<u>(86,314.00)</u>	<u>(55,441.00)</u>	<u>(45,022.00)</u>	<u>(41,677.00)</u>
Fire District's Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fire District's Covered Payroll (Calendar Year)	\$ 465,554.00	\$ 436,038.00	\$ 521,582.00	\$ 307,998.00	\$ 280,404.00
Fire District's Contributions as a Percentage of Covered Payroll	17.13%	19.80%	10.63%	14.62%	14.86%

	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire District's Contractually Required Contribution	\$ 38,728.00	\$ 27,978.00	\$ 31,669.00	\$ 30,162.00	\$ 29,111.00
Fire District's Contribution in Relation to the Contractually Required Contribution	<u>(38,728.00)</u>	<u>(27,978.00)</u>	<u>(31,669.00)</u>	<u>(30,162.00)</u>	<u>(29,111.00)</u>
Fire District's Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fire District's Covered Payroll (Calendar Year)	\$ 277,404.00	\$ 289,502.00	\$ 208,271.00	\$ 241,644.00	\$ 237,324.00
Fire District's Contributions as a Percentage of Covered Payroll	13.96%	9.66%	15.21%	12.48%	12.27%

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Required Supplementary Information - Part III
Schedule of the Fire District's Proportionate Share of the Net Pension Liability
Police and Firemen's Retirement System (PFRS)
Last Ten Plan Years

	<u>Measurement Date Ended June 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fire District's Proportion of the Net Pension Liability	0.1161381800%	0.0948895000%	0.1089549137%	0.0986671450%	0.0898286367%
Fire District's Proportionate Share of the Net Pension Liability	\$ 11,993,124.00	\$ 10,484,134.00	\$ 12,471,367.00	\$ 7,211,732.00	\$ 11,607,045.00
State's Proportionate Share of the Net Pension Liability associated with the Fire District	<u>2,364,419.00</u>	<u>1,931,824.00</u>	<u>2,219,538.00</u>	<u>2,028,298.00</u>	<u>1,801,361.00</u>
Total	<u>\$ 14,357,543.00</u>	<u>\$ 12,415,958.00</u>	<u>\$ 14,690,905.00</u>	<u>\$ 9,240,030.00</u>	<u>\$ 13,408,406.00</u>
Fire District's Covered Payroll (Plan Measurement Period)	\$ 4,341,584.00	\$ 3,904,824.00	\$ 3,867,516.00	\$ 3,405,948.00	\$ 3,094,776.00
Fire District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	276.24%	268.49%	322.46%	211.74%	375.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%
	<u>Measurement Date Ended June 30,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire District's Proportion of the Net Pension Liability	0.0980044448%	0.0976496523%	0.0975252582%	0.1029175174%	0.0973584448%
Fire District's Proportionate Share of the Net Pension Liability	\$ 11,993,606.00	\$ 13,213,608.00	\$ 15,056,015.00	\$ 19,659,878.00	\$ 16,216,523.00
State's Proportionate Share of the Net Pension Liability associated with the Fire District	<u>1,893,813.00</u>	<u>1,794,850.00</u>	<u>1,686,400.00</u>	<u>1,650,942.00</u>	<u>1,422,135.00</u>
Total	<u>\$ 13,887,419.00</u>	<u>\$ 15,008,458.00</u>	<u>\$ 16,742,415.00</u>	<u>\$ 21,310,820.00</u>	<u>\$ 17,638,658.00</u>
Fire District's Covered Payroll (Plan Measurement Period)	\$ 3,316,704.00	\$ 3,234,776.00	\$ 3,170,888.00	\$ 3,307,848.00	\$ 3,114,852.00
Fire District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	361.61%	408.49%	474.82%	594.34%	520.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part III
 Schedule of the Fire District's Contributions
 Police and Firemen's Retirement System (PFRS)
Last Ten Years

	<u>Year Ended December 31,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fire District's Contractually Required Contribution	\$ 1,606,469.00	\$ 1,263,170.00	\$ 1,417,017.00	\$ 1,149,930.00	\$ 1,003,539.00
Fire District's Contribution in Relation to the Contractually Required Contribution	<u>(1,606,469.00)</u>	<u>(1,263,170.00)</u>	<u>(1,417,017.00)</u>	<u>(1,149,930.00)</u>	<u>(1,003,539.00)</u>
Fire District's Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fire District's Covered Payroll (Calendar Year)	\$ 4,588,668.00	\$ 4,264,809.00	\$ 3,828,086.00	\$ 3,848,279.00	\$ 3,462,202.00
Fire District's Contributions as a Percentage of Covered Payroll	35.01%	29.62%	37.02%	29.88%	28.99%

	<u>Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire District's Contractually Required Contribution	\$ 989,953.00	\$ 954,669.00	\$ 863,117.00	\$ 839,128.00	\$ 791,379.00
Fire District's Contribution in Relation to the Contractually Required Contribution	<u>(989,953.00)</u>	<u>(954,669.00)</u>	<u>(863,117.00)</u>	<u>(839,128.00)</u>	<u>(791,379.00)</u>
Fire District's Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fire District's Covered Payroll (Calendar Year)	\$ 2,998,950.00	\$ 3,342,067.00	\$ 3,281,072.00	\$ 3,203,377.00	\$ 3,340,978.00
Fire District's Contributions as a Percentage of Covered Payroll	33.01%	28.57%	26.31%	26.20%	23.69%

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part III
 Notes to Required Supplementary Information - Part III
 For the Year Ended December 31, 2024

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions:

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

**SCHEDULES RELATED TO OTHER
POSTEMPLOYMENT BENEFIT PLANS**

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
 Required Supplementary Information - Part IV
 Schedule of the Fire District's Proportionate Share of the Net OPEB Liability
Last Eight Plan Years

	<u>Measurement Date Ended June 30,</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>
Fire District's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Fire District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Fire District's Proportionate Share of the Net OPEB Liability	-	-	-	-
State's Proportionate Share of the Net OPEB Liability Associated with the Fire District	<u>\$ 12,128,738.00</u>	<u>\$ 8,621,720.00</u>	<u>\$ 8,734,140.00</u>	<u>\$ 12,355,772.00</u>
Total	<u>\$ 12,128,738.00</u>	<u>\$ 8,621,720.00</u>	<u>\$ 8,734,140.00</u>	<u>\$ 12,355,772.00</u>
Fire District's Covered Payroll (Plan Measurement Period)	\$ 4,506,758.00	\$ 3,934,963.00	\$ 3,873,499.00	\$ 3,780,029.00
Fire District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	269.12%	219.11%	225.48%	326.87%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.79%	-0.36%	0.28%

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Fire District's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Fire District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Fire District's Proportionate Share of the Net OPEB Liability	-	-	-	-
State's Proportionate Share of the Net OPEB Liability Associated with the Fire District	<u>\$ 11,221,865.00</u>	<u>\$ 7,132,346.00</u>	<u>\$ 9,322,075.00</u>	<u>\$ 13,307,869.00</u>
Total	<u>\$ 11,221,865.00</u>	<u>\$ 7,132,346.00</u>	<u>\$ 9,322,075.00</u>	<u>\$ 13,307,869.00</u>
Fire District's Covered Payroll (Plan Measurement Period)	\$ 3,063,896.00	\$ 3,204,147.00	\$ 3,349,294.00	\$ 3,183,837.00
Fire District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	366.26%	222.60%	278.33%	417.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Required Supplementary Information - Part IV
Notes to Required Supplementary Information
Other Postemployment Benefits (OPEB)
For the Year Ended December 31, 2024

Changes in Benefit Terms:

The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions:

The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2020	2.21%
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

OTHER SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1

Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended December 31, 2024

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance Dec. 31, 2024</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Capital Improvement Program Consisting of: (a) the acquisition of a Heavy Rescue Fire Apparatus, together with associated equipment; (b) renovations and improvements to the Main Street Station, Kings Grant Station and Kettle Run Station; and (c) the acquisition of furniture, fixtures, and equipment for said renovations and improvements, together with such other work or improvements as may be necessary or appropriate to acquire such fire apparatus and complete said renovations and improvements.	02/18/17	<u>\$ 1,275,000.00</u>	<u>\$ 1,223,594.38</u>	<u>-</u>	<u>\$ 51,405.62</u>
Restricted for Capital Projects:					
Year-End Encumbrances					\$ 2,069.24
Designated for Subsequent Year's Expenditures					<u>49,336.38</u>
					<u>\$ 51,405.62</u>

LONG-TERM DEBT

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Schedule of General Obligation Bonds
For the Year Ended December 31, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Jan. 1, 2024</u>		<u>Dec. 31, 2024</u>
General Obligation Bonds, Series 2014	02/26/14	\$ 1,950,000.00	-	-	2.490%	<u>\$ 250,000.00</u>	<u>\$ 250,000.00</u>	<u>-</u>

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Amount of be Raised by Taxation to Support the District Budget	<u>\$ 253,313.00</u>	<u>-</u>	<u>\$ 253,313.00</u>	<u>\$ 252,952.98</u>	<u>\$ (360.02)</u>
EXPENDITURES:					
Principal Payments:					
General Obligation Bonds	<u>250,000.00</u>	<u>-</u>	<u>250,000.00</u>	<u>250,000.00</u>	<u>-</u>
Interest Payments:					
General Obligation Bonds	<u>3,313.00</u>	<u>-</u>	<u>3,313.00</u>	<u>2,952.98</u>	<u>360.02</u>
Total Expenditures	<u>253,313.00</u>	<u>-</u>	<u>253,313.00</u>	<u>252,952.98</u>	<u>360.02</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, January 1				<u>-</u>	
Fund Balance, December 31				<u>-</u>	

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

TOWNSHIP OF EVESHAM FIRE DISTRICT NO. 1
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

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 EVESHAM FIRE DISTRICT NO. 1
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

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*.

None.

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

