

**TOWNSHIP OF DEPTFORD
FIRE DISTRICT NO. 1**

Financial Statements

For the year ended December 31, 2023

(With Independent Auditor's Report thereon)

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1

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TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1

**ROSTER OF OFFICIALS
December 31, 2023**

BOARD OF COMMISSIONERS

Michael J. White	Chairman
George Frank	Secretary
Raymond MacKay, Jr.	Treasurer
Robert C. Hill	Commissioner
Robert W. Sheairs	Commissioner

OTHER OFFICIALS

Donna M. Scally	Clerk of the Board/Administrative Secretary, Clerk of Elections
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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Deptford Township Fire District No. 1
County of Gloucester
Deptford, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Deptford Township Fire District No. 1, County of Gloucester, State of New Jersey, herein referred to as the District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Deptford Township Fire District No. 1, County of Gloucester, State of New Jersey, herein referred to as the District, as of December 31, 2023, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards 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 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 audit opinions.

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 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.

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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 generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 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 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 and other required supplementary information as listed in the table of contents 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 District's basic financial statements. The accompanying other supplementary information as listed in the table of contents, is presented for purposes of additional analysis 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements 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 September 5, 2024, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Medford, New Jersey
September 5, 2024

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**INDEPENDENT AUDITOR’S 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***

Board of Fire Commissioners
Deptford Township Fire District No. 1
County of Gloucester
Deptford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial 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 major funds of the Deptford Township Fire District No. 1 as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Deptford Township Fire District No. 1’s basic financial statements and have issued our report thereon dated September 5, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Deptford Township 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 Deptford Township Fire District No. 1’s internal control. Accordingly, we do not express an opinion on the effectiveness of Deptford Township Fire District No. 1’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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Deptford Township Fire District No. 1's financial statements are free of 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* or 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 Deptford Township Fire District No. 1'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.

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants and Advisors

Medford, New Jersey
September 5, 2024

DEPTFORD TOWNSHIP FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the Fire District No. 1 of the Township of Deptford (the “District”) annual financial report presents a discussion and analysis of the Fire District’s financial performance during the fiscal year that ended on December 31, 2023. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

Financial Highlights

Total assets were \$11,906,338.11; deferred outflows were \$1,940,594.00; total liabilities were \$10,454,575.09 and total deferred inflows were \$3,558,038.00 resulting in net position of \$(165,680.98) at December 31, 2023.

The Fire district’s unrestricted net position was \$(4,995,338.02) the year ended December 31, 2023.

Operating Revenues totaled \$6,817,072.48 for the year ended December 31, 2023.

Operating Expenses were \$5,105,536.12 for the year ended December 31, 2023. The single largest expense was salaries and wages, which was \$1,502,186.56.

Overview of Annual Financial Report

Management’s Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management’s examination and analysis of the Fire district’s financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Fire district’s capital plan, budget, and other management tools were used for this analysis.

The financial statements report information about the District using the accrual basis of accounting, and, for the governmental funds, using the modified accrual basis of accounting.

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Fire District’s accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

DEPTFORD TOWNSHIP FIRE DISTRICT NO. 1
MANAGEMENTS DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the Fire District

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

Net Position – Table 1 summarizes the changes in net position between December 31, 2023 and 2022:

Table 1
Condensed Summary of Net Position

	Governmental Activities	
	2023	2022
ASSETS		
Current Assets	\$ 8,642,690.60	\$ 7,380,879.57
Capital Assets, Net	3,263,647.51	3,536,344.51
Total Assets	11,906,338.11	10,917,224.08
Deferred Outflows of Resources	1,940,594.00	1,643,407.00
Total Assets and Deferred Outflows of Resources	\$ 13,846,932.11	\$ 12,560,631.08
LIABILITIES		
Current Liabilities	\$ 551,689.22	\$ 729,473.19
Noncurrent Liabilities	9,902,885.87	9,812,620.23
Total Liabilities	10,454,575.09	10,542,093.42
Deferred Inflows of Resources	3,558,038.00	3,895,755.00
Total Liabilities and Deferred Inflows of Resources	14,012,613.09	14,437,848.42
NET POSITION		
Net Investment in Capital Assets	3,263,647.51	3,476,967.94
Restricted	1,566,009.53	1,166,009.53
Unrestricted (Deficit)	(4,995,338.02)	(6,520,194.81)
Total Net Position	\$ (165,680.98)	\$ (1,877,217.34)

DEPTFORD TOWNSHIP FIRE DISTRICT NO. 1

MANAGEMENTS DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the Fire District

Net position increased by \$1,711,536.36. This increase was primarily due to change in the accrual of pension benefits and post retirement benefits for the year as well as budgeted increased in reserve for future capital outlay.

Operating Activities

Table 2 summarizes the changes in revenues, expenses and net position between fiscal years December 31, 2023 and 2022.

Table 2
Condensed Summary of Revenues, Expenses and Changes in Net Position

	Governmental Activities	
	2023	2022
REVENUES		
General Revenues		
Property Taxes	\$ 5,743,895.00	\$ 5,154,755.00
Miscellaneous	1,073,177.48	948,345.81
Total Revenues	6,817,072.48	6,103,100.81
Expenses:		
Administrative	934,592.76	1,134,226.09
Cost of Operations and Maintenance	3,536,668.82	3,279,221.04
Appropriations Offset with Revenue	185,048.04	176,916.06
LOSAP	45,570.00	100,000.00
Interest and other charges on long term debt	4,448.51	32,286.19
Unallocated Depreciation	399,207.99	422,436.77
Total Expenses	5,105,536.12	5,145,086.15
Changes in Net Position	1,711,536.36	958,014.66
Net Position- July 1,	(1,877,217.34)	(2,835,232.00)
Net Postion- June 30	\$ (165,680.98)	\$ (1,877,217.34)

The summary of revenues, expenses, and changes in net position provides information as to the nature and source of changes in financial position.

Revenues increased by \$713,971.67 in 2023, attributable to an increase in the tax levy raised and benefit from change in OPEB liability.

DEPTFORD TOWNSHIP FIRE DISTRICT NO. 1
MANAGEMENTS DISCUSSION AND ANALYSIS (continued)

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2023 and 2022.

Table 3 <u>Capital Assets - Net of Depreciation</u>			
	2023	2022	Variance
Governmental Activities:			
Building & Improvements	\$ 64,350.40	\$ 67,650.40	\$ (3,300.00)
Equipment & Vehicles	3,199,297.11	3,468,694.11	(269,397.00)
	\$ 3,263,647.51	\$ 3,536,344.51	\$ (272,697.00)

Next Year's Budget

The District adopted a \$6,746,252.00 operating budget for 2024, an increase of \$570,092.00 when compared to 2023. The Tax Levy increased by \$230,153.00 or 4% over the 2023 Tax Levy.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances and to demonstrate the Fire District's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the Fire District, at 1370 Delsea Drive, Deptford, New Jersey 08096.

EXHIBIT A-1

DEPTFORD FIRE DISTRICT NO. 1
Statement of Net Position
December 31, 2023

	Governmental Activities
	<u>2023</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 7,492,932.52
Investments in length of service award program (Note 2)	1,149,758.08
Total current assets	<u>8,642,690.60</u>
Capital assets (net of depreciation) (Note 3)	
Depreciable net	<u>3,263,647.51</u>
Total capital assets	<u>3,263,647.51</u>
Total assets	<u>11,906,338.11</u>
Deferred outflows of resources	
Related to other post employment benefits (Note 15)	1,502,403.00
Related to pensions (Note 14)	<u>438,191.00</u>
Total deferred outflows of resources	<u>1,940,594.00</u>
Total assets and deferred outflows of resources	<u>\$ 13,846,932.11</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 57,793.35
Payroll taxes payables	6,163.87
Pension payable	487,732.00
Noncurrent liabilities:	
Due beyond one year	<u>9,902,885.87</u>
Total liabilities	<u>10,454,575.09</u>
Deferred inflows of resources	
Related to other post employment benefits (Note 15)	2,920,402.00
Related to pensions (Note 14)	<u>637,636.00</u>
Total deferred inflows of resources	<u>3,558,038.00</u>
Total liabilities and deferred inflows of resources	<u>14,012,613.09</u>
Net position	
Investments in capital assets, net of related debt	3,263,647.51
Restricted for	
Capital projects	1,566,009.53
Unrestricted	<u>(4,995,338.02)</u>
Total net position	<u>(165,680.98)</u>
Total liabilities and net position	<u>\$ 13,846,932.11</u>

The accompanying notes are an integral part of the financial statements.

DEPTFORD FIRE DISTRICT NO. 1
Statement of Activities
For the year ended December 31, 2023

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u> <u>2023</u>
Government activities:			
Operation appropriations:			
Administration	\$ 934,592.76	\$ -	\$ (934,592.76)
Costs of operations and maintenance	3,536,668.82	-	(3,536,668.82)
Operating appropriations offset with revenues	185,048.04	187,211.67	2,163.63
Interest and other charges long term debt	4,448.51	-	(4,448.51)
Length of service award contribution	45,570.00	-	(45,570.00)
Depreciation expense	399,207.99	-	(399,207.99)
	5,105,536.12	187,211.67	(4,918,324.45)
General revenues:			
Amount raised by taxation			5,743,895.00
Miscellaneous revenues			179,891.74
Net pension benefit			312,023.00
Net OPEB benefit			249,201.00
Cancellation of prior year payables			144,850.07
			6,629,860.81
Change in net position			1,711,536.36
Net position, January 1,			(1,877,217.34)
Net position, December 31			\$ (165,680.98)

The accompanying notes are an integral part of the financial statements.

DEPTFORD FIRE DISTRICT NO. 1
Governmental Funds
Balance Sheet
December 31, 2023

	General Fund	Capital Projects Fund	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,926,922.99	\$ 1,566,009.53	\$ 7,492,932.52
Total current assets	<u>5,926,922.99</u>	<u>1,566,009.53</u>	<u>7,492,932.52</u>
Noncurrent assets:			
Investment in length of service award program	1,149,758.08	-	1,149,758.08
Total noncurrent assets	<u>1,149,758.08</u>	<u>-</u>	<u>1,149,758.08</u>
Total assets	<u>7,076,681.07</u>	<u>1,566,009.53</u>	<u>8,642,690.60</u>
Liabilities, equity and other credits:			
Accounts payable	48,064.19	-	48,064.19
Other payables	9,729.16	-	9,729.16
Payroll Taxes Payable	6,163.87	-	6,163.87
Total liabilities	<u>63,957.22</u>	<u>-</u>	<u>63,957.22</u>
Fund balances:			
Restricted for:			
Capital Projects	-	1,266,009.53	1,266,009.53
Investment in length of service award program	1,149,758.08	-	1,149,758.08
Assigned for:			
For subsequent year's expenditures	206,510.00	300,000.00	506,510.00
Unassigned, reported in:			
General fund	5,656,455.77	-	5,656,455.77
Total fund balance	<u>7,012,723.85</u>	<u>1,566,009.53</u>	<u>8,578,733.38</u>
Total liabilities and fund balance	<u>\$ 7,076,681.07</u>	<u>\$ 1,566,009.53</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Long-term liabilities are not due and payable in the current period and are therefore not reported as liabilities in the funds. (9,902,885.87)

Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future reporting periods and therefore are not reported in the funds.

Deferred outflows 1,940,594.00
Deferred inflows (3,558,038.00)

Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (487,732.00)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,613,317.24 and the accumulated depreciation is \$7,349,669.73. 3,263,647.51

Net position of governmental activities \$ (165,680.98)

DEPTFORD FIRE DISTRICT NO. 1
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2023

	General Fund	Capital Projects Fund	Totals
Revenues:			
Amount raised by taxation to support district budget	\$ 5,343,895.00	\$ 400,000.00	\$ 5,743,895.00
Miscellaneous revenues offset with appropriations	187,211.67	-	187,211.67
Miscellaneous revenues	165,916.55	-	165,916.55
Investment income - length of service awards program	178,606.28	-	178,606.28
Total miscellaneous revenues	531,734.50	-	531,734.50
Miscellaneous Revenue Not Anticipated	13,975.19	-	13,975.19
Total Miscellaneous Revenue Not Anticipated	13,975.19	-	13,975.19
Total Revenues	5,889,604.69	400,000.00	6,289,604.69
Expenditures:			
Administration	934,592.76	-	934,592.76
Cost of Operations	3,663,179.81	-	3,663,179.81
Operating appropriations offset with revenues	185,048.04	-	185,048.04
Length of service award program	133,680.30	-	133,680.30
Debt Service:			
Capital Lease principal	59,376.57	-	59,376.57
Capital lease interest	2,350.28	-	2,350.28
	4,978,227.76	-	4,978,227.76
Excess of revenues over expenditures	911,376.93	400,000.00	1,311,376.93
Other Financing Sources/(Uses)			
Prior year payables canceled	144,850.07	-	144,850.07
Total Other Financing Sources/(Uses)	144,850.07	-	144,850.07
Net change in fund balance	1,056,227.00	400,000.00	1,456,227.00
Fund balances, January 1	5,956,496.85	1,166,009.53	7,122,506.38
Fund balance, December 31	\$ 7,012,723.85	\$ 1,566,009.53	\$ 8,578,733.38

The accompanying notes are an integral part of the financial statements.

DEPTFORD FIRE DISTRICT NO. 1
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance in
the Governmental Funds to the Statement of Activities
December 31, 2023

Total net changes in Fund Balance-Governmental Funds (B-2) \$ 1,456,227.00

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital Outlays are reported in 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.

	Capital Outlays	\$ 126,510.99	
	Depreciation Expense	<u>(399,207.99)</u>	(272,697.00)

Repayment of financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 59,376.57

District other postemployment benefit contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net other postemployment benefit liability is measured a year before the District's report date. Other post employment expense, which is the change in the net other postemployment benefit liability adjusted for changes in deferred outflows and inflows of resources related to other postemployment benefits is reported in the Statement of Activities. 249,201.00

Length of service awards program contribution is not reported in governmental funds as expenditures. However, in the statement of net position, the expense is equal to the amount of contributions of the volunteers accounts as determined by the benefit terms. Change in the value of LOSAP investments is not a revenue in the government-wide financial statements as it is a payable to the volunteers in accordance with the plan benefits.

	District contribution to length of service awards program	(45,570.00)	
	Appreciation in fair value of investments	(178,606.28)	
	Administrative fees	2,675.00	
	Participant withdrawals	<u>131,005.30</u>	(90,495.98)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the statement of activities. 312,023.00

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. (2,098.23)

Changes in net position of governmental activities \$ 1,711,536.36

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TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Fire Commissioners (the “Board”) of the Township of Deptford Fire District No. 1 (the “District”) have been prepared in conformity with generally accepted accounting principles (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 more significant of the Fire District’s accounting policies are described below.

A. Reporting

The Fire District is an instrumentality of the State of New Jersey, established to function as a firefighting organization. The Board of Fire Commissioners consists of elected officials and is responsible for the fiscal control of the Fire District. The primary criterion for including activities within the Fire District's reporting entity, as set forth in Section 2100 of the GASB 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 District, designation of management, ability to significantly influence operations and accountability for fiscal matters. GASB Statement No. 14 *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, 80 and No. 90, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. The Fire District had no component units for the year ended December 31, 2023.

The Fire District operates seven separate fire stations within its jurisdiction, Oak Valley Fire Company, Union Fire Company, Community Fire Company, Tacoma Fire Company, New Sharon Fire Company, Helping Hand Fire Company, and Almonesson Fire Company. The volunteer companies are staffed with approximately 160 trained volunteers.

B. Basis of Presentation

The financial statements of the Fire District conform to generally accepted accounting principles (GAAP) applicable to governmental funds of state and local governments in accordance with the provisions of N.J.A.C. 5:31-7-1. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Fire District’s accounting policies are described below.

The district-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The tax revenues are recognized in the year for which they are levied (see Note 1 R) while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter, within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

The accounts of the fire district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance

with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate “fund types.”

Governmental Funds:

General Fund

The General Fund is the general operating fund of the Fire District and is used to account for the inflows and outflows of financial resources. 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.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as firehouses and fire-fighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question of the ballot either during the annual election or at a special election.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Government-Wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These statements report financial information of the Fire District as a whole. All inter-fund activity has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Fire District does not allocate general government (indirect) expenses to other functions.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Government-Wide and Fund Financial Statements (continued)

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Fire District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements

The fund financial statements provide detail of the governmental funds.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

F. Budgets and Budgetary Accounting

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 adopt the annual budget no later than sixty days prior to the annual election. 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.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for approval of the legal voters.

Fire Districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the Fire Districts general-purpose financial statements.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Encumbered appropriations carry over into the next fiscal 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 amounts as of the current year-end.

H. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Fire districts are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments that may be purchased by fire districts.

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its 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 full amount of their deposits to the governmental units.

I. 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, 2023.

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.

J. Debt Limitation

N.J.S.A.40A:14-84 governs procedures for the issuance of any debt related to such purchases. In summary, fire districts may purchase firefighting apparatus, equipment, land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or 2 percent of the assessed valuation of property, whichever is larger.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital assets, which include land, building, improvements and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The Fire District has set capitalization thresholds for reporting capital assets of \$5,000.

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Land Improvements	40 Years
Building and Improvements	5 to 30 Years
Furniture and Equipment	5 to 15 Years
Vehicles and Apparatus	5 to 25 Years

L. 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.

M. Inventory, Materials and Supplies

The inventory on hand at any time is small. Accordingly, purchases are charged directly to fixed assets or to maintenance costs, as applicable.

N. Interfund Receivable/Payable

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.

O. Compensated Absences

Fire District employees are entitled to vacation and sick leave. Unused sick and vacation may be accumulated in accordance with the Gloucester County uniformed Firefighters Association International Association of Fire Fighters Local 3592 union contract. Benefits paid in any future year will be calculated according to formulas outlined in the Fire District's agreement with the employee's union and included in the current year's budget.

The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. Expenditures are recognized in the governmental funds as payments come due each period, for example, 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.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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, contractually required pension contributions, and length of service awards program 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.

Q. Revenues and Expenditures

Revenues are recorded when they are determined to be both available and measurable. Generally, fees and other non-tax revenues are recognized when qualifying expenditures are incurred.

Expenditures are recorded when the related liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due.

R. Fire District Taxes

Upon proper certification to the assessor of the municipality in which the Fire District is located, the assessor shall assess the amount of taxes to be realized in support of the Fire District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality shall then pay over to the treasurer or custodian of funds of the Fire District the taxes assessed in accordance with the following schedule: on or before April 1, an amount equaling 21.25% of all monies assessed, on or before July 1, an amount equaling 22.5% of all monies assessed, on or before October 1, an amount equaling 25% of all monies assessed and on or before December 31 an amount equal to the difference between the total of all monies assessed and the total of monies previously paid over.

S. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Township of Deptford Fire District No. 1's classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making within the Fire District and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Fund Equity (continued)

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

T. Net Position

Net position represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for 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.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

V. 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.

W. Fair Value Measurement

The District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the District has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.

Level II – Inputs that include quoted market prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values. Subsequent to initial recognition, the District may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

The following methods and assumptions were used by the District in estimating the fair value of its financial instruments:

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Fixed Account Investment Contract: Valued at the contract’s market value as reported by the insurance company.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table in Note 2 sets forth by level, within the fair value hierarchy, the District’s assets at fair value as of December 31, 2023.

X. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended December 31, 2023:

Statement No. 96, *Subscription-Based IT Arrangements (SBITA)*, addresses accounting and financial reports for subscription-based information technology arrangements. The standard requires governments to recognize the subscription-based IT arrangement as an intangible asset and to amortize the intangible asset over the subscription term. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The District has implemented this standard as of December 31, 2023.

**TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Impact of Recently Issued Accounting Principles (continued)

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn't been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 102, *Certain Risk Disclosures*, addresses risks related to certain concentrations or constraints within financial statements. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the District's financial statements.

NOTE 2. CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Fire District's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Fire District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2023, the Fire District's bank balance of \$7,645,346.76 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,645,346.76
Uninsured and Uncollateralized	-
	\$ 7,645,346.76

Investments

A. Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Fire District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fire District, and are held by either the counterparty or the counterparty's trust department or agent but not in the Fire District's name. All of the District's investments are held in the name of the District and are collateralized by GUDPA.

**TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2. CASH DEPOSITS AND INVESTMENTS (continued)

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Fire District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2023, are provided in the below schedule.

C. Investment Credit Risk

The Fire District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Fire District or bonds or other obligations of the local unit or units within which the Fire District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Fire District;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

The following table sets forth by level, within the value hierarchy, the District's assets at fair value at December 31, 2023.

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2023</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less than 1 Year</u>
Fixed Account Investment Contract	\$ 231,664.38	\$ 231,664.38	\$ 231,664.38	\$ 231,664.38
Mutual Funds	918,093.70	918,093.70	918,093.70	918,093.70
	<u>\$ 1,149,758.08</u>	<u>\$ 1,149,758.08</u>	<u>\$ 1,149,758.08</u>	<u>\$ 1,149,758.08</u>

NOTE 3. CAPITAL ASSETS

N.J.S.A. 40A: 14-84 governs the procedures for the acquisition of property and equipment for the Fire Districts, and the N.J.S.A. 40A: 14-85-87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus, equipment, land, and buildings to house such property in an amount not exceeding five mills on the dollar of the least assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or two percent of the assessed valuation of property, whichever is larger.

The following is a summarization of the changes in capital assets by source for the year ended December 31, 2023:

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>January 1,</u> <u>2023</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>
Governmental Activities:				
Capital Assets being depreciated:				
Buildings and Improvements	\$ 392,779.00	\$ -	\$ -	\$ 392,779.00
Equipment & Vehicles	10,094,027.25	126,510.99	-	10,220,538.24
Total Capital Assets being depreciated	<u>10,486,806.25</u>	<u>126,510.99</u>	<u>-</u>	<u>10,613,317.24</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(325,128.60)	(3,300.00)	-	(328,428.60)
Equipment & Vehicles	(6,625,333.14)	(395,907.99)	-	(7,021,241.13)
Total Accumulated Depreciation	<u>(6,950,461.74)</u>	<u>(399,207.99)</u>	<u>-</u>	<u>(7,349,669.73)</u>
Total Capital Assets being depreciated, net	<u>3,536,344.51</u>	<u>(272,697.00)</u>	<u>-</u>	<u>3,263,647.51</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,536,344.51</u>	<u>\$ (272,697.00)</u>	<u>\$ -</u>	<u>\$ 3,263,647.51</u>

NOTE 4. 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. The Fire District maintains commercial insurance for property, liability, and surety bonds.

Property and Liability Insurance - The Fire District maintains commercial insurance for property, liability, and surety bonds coverage which is consistent with prior year's coverage.

NOTE 5. COMPENSATED ABSENCES

The Fire District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Full time employees are entitled to paid sick leave hours based on the union contract. Unused sick leave may be accumulated and carried forward for subsequent years. Full time employees accrue vacation leave based on years of employment. Accumulation of annual vacation leave from year to year may be permitted at the discretion of the District Fire Chief. Upon retirement or other termination of employment of a District employee, the employee shall be paid equivalent of the vacation leave time accrued, based on the current rate of pay.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of December 31, 2023, the liability for compensated absences reported on the government-wide statement of net position was \$322,853.79.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6. LONG-TERM OBLIGATIONS

During the year ended December 31, 2023, the following changes occurred in long-term obligations:

	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 320,755.56	\$ 2,098.23	\$ -	\$ 322,853.79	\$ -
Lease Purchases	59,376.57	-	59,376.57	-	-
Net Pension Liability	4,269,452.00	-	116,342.00	4,153,110.00	-
OPEB Liability	4,103,774.00	173,390.00	-	4,277,164.00	-
Length of Service Program	1,059,262.10	224,176.28	133,680.30	1,149,758.08	-
	<u>\$ 9,812,620.23</u>	<u>\$ 399,664.51</u>	<u>\$ 309,398.87</u>	<u>\$ 9,902,885.87</u>	<u>\$ -</u>

NOTE 7. LABOR CONTRACTS

As of December 31, 2023, the Fire District’s employees are organized in the following collective bargaining units. Contracts are continually being negotiated the following table shows their current status.

AFL-CIO-CLC #3592 Firefighter Expiration 12/31/2023

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of December 31, 2023, there were no interfund balances that remained on the balance sheet.

NOTE 9. FUND BALANCES APPROPRIATED

The 2023 annual budget utilized \$200,000 of unreserved fund balance from the general fund.

The following presents the fund balance as of the end of the last five years and the amount utilized in the subsequent year’s budget:

Year Ending <u>December 31,</u>	Balance at <u>December 31,</u>	Utilization in Subsequent Budget
2023	\$ 7,012,723.85	\$ 206,510.00
2022	5,956,496.85	200,000.00
2021	5,999,195.53	200,000.00
2020	4,215,107.97	200,000.00
2019	3,760,503.89	200,000.00

NOTE 10. FUND BALANCE

General Fund – Of the \$7,012,723.85 General Fund balance at December 31, 2023, \$1,149,758.08 is restricted for investment in length of service award program, \$206,510.00 is designated for subsequent year’s expenditures, and \$5,656,455.77 is unassigned.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10. FUND BALANCE (continued)

Capital Projects Fund Balance – Of the \$1,566,009.53 Capital Projects Fund balance at December 31, 2023, \$1,266,009.51 is restricted for future Capital Projects and \$300,000.00 is designated for subsequent year's expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation.

NOTE 11. FUNDING AND CONCENTRATIONS

The activities of the Board of Commissioners are primarily funded by striking a fire tax rate on property owners of the Fire District, as provided for by the state statute. For the year ended December 31, 2023, the fire tax rate on Fire District No. 1 was \$0.202 per \$100 of assessed valuation.

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 12. CONTINGENCIES

Litigation – The Fire District is not a defendant in any lawsuits. It is the opinion of the Fire Districts' attorney that no contingent liability exists that would have a material adverse effect on the financial condition of the Fire District.

Economic Dependency – The District is not economically dependent on any one business or industry within the Township.

NOTE 13. LOSAP

During the year 2000, the voters of the Deptford Township Fire District No. 1 approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation. This plan was approved by the voters of the Township of Deptford by referendum at the general election held in November 2000. The LOSAP provides tax deferred income benefits to active volunteer firefighters. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as firefighting and prevention services, pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law 1997, Chapter 388, and the LOSAP Document. The balance is subject to the general creditors of the Fire District. Contributions by the Fire District for qualified participants were \$45,570.00 and \$100,000.00 in 2023 and 2022, for those eligible in the years 2021 and 2020. As of the date of the audit, the Fire District had not contributed on behalf of the participants who qualified for the 2023 calendar year, these funds have recorded as accounts payable for the full budget amount.

NOTE 14. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 or more years 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.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Township's contractually required contribution to PERS plan was \$41,381.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Components of Net Pension Liability - At December 31, 2023, the District's proportionate share of the PERS net pension liability was \$448,459. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The District's proportion measured as of June 30, 2023, was 0.003096% which was an increase of 0.000010% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 27,756	\$ 53,684
Deferred Inflows of Resources	141,229	238,850
Net Pension Liability	448,459	465,792
Township's portion of the Plan's total Net Pension Liability	0.003096%	0.003086%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2023, the District's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date is \$(47,645).

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 4,288	\$ 1,833
Changes of Assumptions	985	27,179
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,065	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	20,418	112,217
	<u>\$ 27,756</u>	<u>\$ 141,229</u>

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The District will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	Amount
<u>Dec 31,</u>	
2024	\$ (123,962)
2025	(69,191)
2026	96,690
2027	(17,304)
2028	294
	<hr/>
	<u>\$ (113,473)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-6.55% based on years of service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 will 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 588,720	\$ 448,459	\$ 336,077

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the 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 the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the 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 pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of December 31, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$1,399 as of December 31, 2023. These are based on measurements as of June 30, 2023.

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 if 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.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. 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. For fiscal year 2023, the State contributed an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the District’s contractually required contributions to PFRS plan was \$446,351.

Net Pension Liability and Pension Expense - At December 31, 2023 the District’s proportionate share of the PFRS net pension liability was \$3,704,651. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The District’s proportion of the net pension liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2023. The District’s proportion measured as of June 30, 2023, was 0.03353%, which was an increase of 0.00030% from its proportion measured as of June 30, 2022.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 410,435	\$ 591,107
Deferred Inflows of Resources	496,407	817,699
Net Pension Liability	3,704,651	3,803,660
Township's portion of the Plan's total net pension Liability	0.03353%	0.03323%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2023, the District’s proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date was \$206,773.

At December 31, 2023, the District had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 158,626	\$ 176,679
Changes of Assumptions	7,996	250,153
Net Difference between Projected and Actual Earnings on Pension Plan Investments	188,671	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	55,142	69,575
	<u>\$ 410,435</u>	<u>\$ 496,407</u>

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

The District will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
June 30, 2023	6.16	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
June 30, 2023	-	-
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

Year Ending		
<u>Dec 31,</u>		<u>Amount</u>
2024	\$	(173,258)
2025		(166,272)
2026		267,515
2027		(23,008)
2028		8,212
Thereafter		<u>839</u>
		<u>\$ (85,972)</u>

Special Funding Situation – 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 non-employer 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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the District is \$682,625 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State’s proportion of the net pension liability associated with the District was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2023 was 0.03353%, which was an increase of 0.00030% from its proportion measured as of June 30, 2022, which is the same proportion as the District’s. At December 31, 2023, the District’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 3,704,651
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>682,625</u>
	<u>\$ 4,387,276</u>

At December 31, 2023, the State’s proportionate share of the PFRS expense, associated with the District, calculated by the plan as of the June 30, 2023 measurement date was \$77,647.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the PubS-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 PubS-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 PFRS’s target asset allocation as of June 30, 2023 are summarized in the following table:

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 5,161,782	\$ 3,704,651	\$ 2,491,209
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	951,118	682,625	459,034
	\$ 6,112,900	\$ 4,387,276	\$ 2,950,243

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. PENSION OBLIGATIONS (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), 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.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases*:

Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate for all future years	2.75% to 6.55%

Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* - Salary increases are based on years of service within the respective plan.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

OPEB Obligation and OPEB (benefit) Expense - The District's proportionate share of the total Other Post-Employment Benefits Obligations as of June 30, 2023 was \$4,277,164.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The District's proportionate share of the OPEB Obligation was based on the ratio of plan members of an individual employer to the total members of the plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. At June 30, 2023, the District's proportionate share of the OPEB Obligation was 0.02850%, which was an increase of 0.00309% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the District recognized an OPEB (benefit) expense in the amount of \$(110,396) for the District's proportionate share of the OPEB (benefit) expense. This OPEB (benefit) expense was based on the OPEB plans June 30, 2023 measurement date.

Actuarial assumptions used in the July 1, 2022 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
District's Proportionate Share of Total OPEB Obligation	\$ 4,954,319.24	\$ 4,277,164.00	\$ 3,732,497.06
State of New Jersey's Total Nonemployer OPEB Liability	\$ 17,382,355,978.00	\$ 15,006,539,477.00	\$ 13,095,561,553.00

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of Total OPEB Obligation	\$ 3,635,086.13	\$ 4,277,164.00	\$ 5,099,219.90
State of New Jersey's Total Nonemployer OPEB Liability	\$ 12,753,792,805.00	\$ 15,006,539,477.00	\$ 17,890,743,651.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023:

Collective Balances at December 31, 2023 and December 31, 2022

	12/31/2023	12/31/2022
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 9,133,524,491.00	\$ 7,897,070,518.00
Collective Deferred Inflows of Resources	14,817,220,551.00	13,408,600,309.00
Collective Net OPEB Liability	15,006,539,477.00	16,149,595,478.00
Fire District's Portion	0.028502%	0.025411%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2024	\$	(1,702,483,126.00)
2025		(1,394,440,795.00)
2026		(754,368,466.00)
2027		(353,621,247.00)
2028		(713,799,887.00)
Thereafter		<u>(764,982,539.00)</u>
	<u>\$</u>	<u>(5,683,696,060.00)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members.

Plan Membership

At June 30, 2022, the Program membership consisted of the following:

	<u>June 30, 2022</u>
Active Plan Members	65,613
Retirees Currently Receiving Benefits	<u>34,771</u>
Total Plan Members	<u><u>100,384</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Service Cost	\$ 597,135,801.00
Interest on the Total OPEB Liability	581,375,849.00
Change of Benefit Terms	23,039,435.00
Differences Between Expected and Actual Experience	(2,123,324,632.00)
Changes of Assumptions	255,103,873.00
Contributions From the Employer	(431,386,179.00)
Contributions From Non-Employer Contributing Entity	(55,614,980.00)
Net Investment Income	(2,001,914.00)
Administrative Expense	<u>12,616,746.00</u>
 Net Change in Total OPEB Liability	 (1,143,056,001.00)
 Total OPEB Liability (Beginning)	 <u>16,149,595,478.00</u>
 Total OPEB Liability (Ending)	 <u>\$ 15,006,539,477.00</u>

NOTE 16. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and September 5, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the District that would require disclosure.

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DEPTFORD FIRE DISTRICT NO. 1
Budgetary Comparison Schedule
For the year ended December 31, 2023

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Amount raised by taxation to support district budget	\$ 5,743,895.00	\$ 5,743,895.00	\$ 5,743,895.00	\$ -
Miscellaneous revenues:				
Miscellaneous revenues offset with appropriations:				
Uniform Fire Safety Act Revenues:				
Annual Registration Fees	84,110.00	84,110.00	90,130.67	6,020.67
Permit Fees	11,000.00	11,000.00	11,276.00	276.00
Penalty and Fines	15,000.00	15,000.00	10,450.00	(4,550.00)
NonLife Hazard Use Registration	85,000.00	85,000.00	69,265.00	(15,735.00)
Dedicated Fines/Investigation Report Fees	3,700.00	3,700.00	6,090.00	2,390.00
Interest on Investments	20,000.00	20,000.00	151,829.30	131,829.30
NJ Turnpike Authority	2,000.00	2,000.00	1,400.00	(600.00)
Insurance Reimbursements - Highway Incidents	2,000.00	2,000.00	3,232.25	1,232.25
Supplemental Fire Services Grant	9,455.00	9,455.00	9,455.00	-
Total miscellaneous revenues	<u>232,265.00</u>	<u>232,265.00</u>	<u>353,128.22</u>	<u>120,863.22</u>
Total Anticipated Revenues	<u>5,976,160.00</u>	<u>5,976,160.00</u>	<u>6,097,023.22</u>	<u>120,863.22</u>
Miscellaneous Revenue Not Anticipated				
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>13,975.19</u>	<u>13,975.19</u>
Total Miscellaneous Revenue Not Anticipated	<u>-</u>	<u>-</u>	<u>13,975.19</u>	<u>13,975.19</u>
Total Revenues	<u>5,976,160.00</u>	<u>5,976,160.00</u>	<u>6,110,998.41</u>	<u>134,838.41</u>

DEPTFORD FIRE DISTRICT NO. 1
Budgetary Comparison Schedule
For the year ended December 31, 2023

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages:				
Administrative Secretary	85,307.00	87,157.00	87,124.50	32.50
Commissioners	28,257.00	28,257.00	28,257.00	-
Clerk Typist	48,379.00	48,679.00	48,601.77	77.23
Overtime & Incentive	6,000.00	2,625.00	1,500.00	1,125.00
Fringe benefits:				
Social Security	13,000.00	13,050.00	13,038.73	11.27
Unemployment Compensation	900.00	900.00	576.87	323.13
Public Employee's Retirement System	38,922.00	38,922.00	38,922.00	-
Health Benefits	106,204.00	112,214.00	112,211.81	2.19
Other expenditures:				
Insurance	642,533.00	426,822.00	286,197.81	140,624.19
Accounting Fees & Software	26,000.00	26,175.00	26,171.85	3.15
Audit	16,500.00	21,500.00	21,500.00	-
Legal Fees - Contracted Special Counsel	46,597.00	46,597.00	23,220.00	23,377.00
Solicitor Retainer - Contracted	63,000.00	63,600.00	62,600.00	1,000.00
Medical Fees	48,900.00	70,550.00	70,481.10	68.90
Computer, Equipment & Services (FAB)	78,030.00	100,280.00	78,733.25	21,546.75
Advertising & Elections (FAB)	10,000.00	10,000.00	9,086.43	913.57
Supplies, Postage & Office Services (FAB)	18,207.00	28,207.00	26,369.64	1,837.36
Total administration	1,276,736.00	1,125,535.00	934,592.76	190,942.24
Cost of operations and maintenance:				
Salaries and wages				
Firefighters	1,341,608.00	1,339,208.00	1,106,173.34	233,034.66
Overtime & Incentive	45,156.00	45,156.00	13,504.63	31,651.37
Vacation/Sick	60,000.00	60,000.00	58,767.68	1,232.32
Retirement	43,200.00	45,600.00	45,599.52	0.48
Fringe benefits				
Social Security	114,000.00	114,000.00	90,211.20	23,788.80
Unemployment Compensation	7,000.00	7,000.00	4,463.11	2,536.89
Police & Firemen's Pension System	432,178.00	432,179.00	432,179.00	-
Health Benefits	743,696.00	612,676.00	596,114.67	16,561.33
DCRP	-	220.00	218.80	1.20
Other expenditures:				
Uniform/Clothing	38,000.00	75,600.00	64,122.30	11,477.70
Fire Hydrant Rent	56,000.00	56,000.00	53,950.00	2,050.00
Station Rent	365,500.00	394,500.00	393,879.20	620.80
Training and Education	39,000.00	39,000.00	35,764.43	3,235.57
Volunteer Reimbursement/Duty Crews	161,422.00	215,872.00	215,837.51	34.49
Fuel	51,800.00	51,800.00	22,245.34	29,554.66
Utilities	56,100.00	59,250.00	58,613.68	636.32
Maintenance (FAB)	48,960.00	48,960.00	8,566.71	40,393.29
Vehicle & Equipment Maintenance	290,700.00	355,950.00	339,601.45	16,348.55
Equipment (SCBA, Gear)	183,600.00	245,600.00	105,726.85	139,873.15
Battalion Chiefs	8,000.00	8,200.00	8,200.00	-
Explorer Program	8,500.00	8,500.00	-	8,500.00
Public Education	25,000.00	41,000.00	40,552.15	447.85
Safety Division	8,500.00	8,500.00	3,000.00	5,500.00
Fire Police	3,500.00	3,500.00	-	3,500.00
Retention & Recruitment	37,000.00	37,000.00	27,615.09	9,384.91
Scholarship	25,000.00	25,000.00	-	25,000.00
Total cost of operations and maintenance	4,193,420.00	4,330,271.00	3,724,906.66	605,364.34

DEPTFORD FIRE DISTRICT NO. 1
Budgetary Comparison Schedule
For the year ended December 31, 2023

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Operating appropriations offset with revenues:				
Fire Marshall's Office:				
Salaries and wages:				
Fire Marshall Office	89,164.00	90,514.00	90,119.80	394.20
Rotation & Incentive	20,900.00	20,900.00	12,775.00	8,125.00
Overtime	12,000.00	12,000.00	9,763.32	2,236.68
Fringe benefits				
Social Security	10,000.00	10,000.00	6,981.32	3,018.68
Unemployment Compensation	1,500.00	1,500.00	287.69	1,212.31
Health Benefits	25,660.00	25,660.00	19,381.04	6,278.96
Other expenditures:				
Uniform/Clothing	600.00	600.00	600.00	-
Fire Marshall Office Expense	9,180.00	9,180.00	2,792.07	6,387.93
Fire Prevention	30,000.00	30,000.00	27,487.80	2,512.20
New Equipment (Fire Marshall)	5,000.00	5,000.00	-	5,000.00
Training & Education	2,000.00	15,000.00	14,860.00	140.00
Total operating appropriations offset with revenues	<u>206,004.00</u>	<u>220,354.00</u>	<u>185,048.04</u>	<u>35,305.96</u>
Length of Service Award Program (LOSAP) Contribution:				
LOSAP Contribution	<u>100,000.00</u>	<u>100,000.00</u>	<u>45,570.00</u>	<u>54,430.00</u>
Total LOSAP Contributions	<u>100,000.00</u>	<u>100,000.00</u>	<u>45,570.00</u>	<u>54,430.00</u>
Capital appropriations				
Reserve for Future Capital Outlays	<u>400,000.00</u>	<u>400,000.00</u>	<u>-</u>	<u>400,000.00</u>
Total Capital Appropriations	<u>400,000.00</u>	<u>400,000.00</u>	<u>-</u>	<u>400,000.00</u>
Total operating appropriations	<u>6,176,160.00</u>	<u>6,176,160.00</u>	<u>4,890,117.46</u>	<u>1,286,042.54</u>
Other financing sources and uses:				
Prior year payables canceled	<u>-</u>	<u>-</u>	<u>144,850.07</u>	<u>144,850.07</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>144,850.07</u>	<u>144,850.07</u>
Excess (efficiency) of revenues over (under) expenditures				
Fund balance, January 1	(200,000.00)	(200,000.00)	1,365,731.02	1,565,731.02
Fund balance, December 31	<u>6,063,244.28</u>	<u>6,063,244.28</u>	<u>6,063,244.28</u>	<u>-</u>
Fund balance, December 31	<u>\$ 5,863,244.28</u>	<u>\$ 5,863,244.28</u>	<u>\$ 7,428,975.30</u>	<u>\$ 1,565,731.02</u>
Recapitulation of Fund Balance:				
Restricted fund balance:				
Capital Projects			\$ 1,266,009.53	
Assigned:				
Subsequent year's budget			206,510.00	
Subsequent year's budget - Capital Projects			300,000.00	
Unassigned			<u>5,656,455.77</u>	
			<u>\$ 7,428,975.30</u>	
Reconciliation to governmental fund statements (GAAP):				
Length of service awards program investment balance not recognized on the budgetary basis			<u>\$ 1,149,758.08</u>	
Total fund balance per governmental funds (GAAP)			<u>\$ 8,578,733.38</u>	

DEPTFORD FIRE DISTRICT NO. 1
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the year ended December 31, 2023

**Total
Governmental
Funds**

Sources/Inflows of Resources:

Actual Amounts (Budgetary Basis) "Revenue"

From the Budgetary Comparison Schedule (C-1)

\$ 6,110,998.41

Difference - Budget to GAAP:

Budgetary basis differs from GAAP in that the District does not budget for length of service awards program investment income. GASB 73 requires the investment appreciation in the length of service awards program to be shown in financial statements using the current financial resources measurement focus and modified accrual basis of accounting:

Appreciation in fair value of investments

178,606.28

Total Revenues as Reported on the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)

\$ 6,289,604.69

Uses/Outflows of Resources:

Actual Amounts (Budgetary Basis) "Total Appropriations"

From the Budgetary Comparison Schedule (C-1)

\$ 4,890,117.46

Budgetary basis differs from GAAP in that the District is required to budget for contributions to the length of service awards program. Expenditures under the current financial resources measurement focus and modified accrual basis of accounting are limited to the benefits paid in accordance with the Plan.

Length of service awards program district contribution

(45,570.00)

Administrative fees

2,675.00

Participant withdrawals

131,005.30

Total Expenditures as Reported on the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)

\$ 4,978,227.76

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System
Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.003096%	0.003086%	0.002972%	0.004211%	0.004098%	0.004070%	0.004119%	0.004039%	0.003880%	0.003719%
District's Proportionate Share of the Net Pension Liability	\$ 448,459.00	\$ 465,792.00	\$ 352,052.00	\$ 686,701.00	\$ 738,444.00	\$ 801,356.00	\$ 958,834.00	\$ 1,196,273.00	\$ 870,915.00	\$ 696,301.00
District's Covered-Employee Payroll	\$ 234,965.00	\$ 227,476.00	\$ 271,286.00	\$ 297,980.00	\$ 288,509.00	\$ 285,590.00	\$ 281,612.00	\$ 273,166.00	\$ 266,261.00	\$ 255,298.00
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	190.86%	204.77%	129.77%	230.45%	255.95%	280.60%	340.48%	437.93%	327.09%	272.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
 Schedule of District Contributions
 Public Employee's Retirement System
 Last Ten Fiscal Years

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Contractually Required Contribution	\$ 41,381.00	\$ 38,922.00	\$ 34,803.00	\$ 46,066.00	\$ 39,864.00	\$ 40,483.00	\$ 38,158.00	\$ 35,883.00	\$ 33,355.00	\$ 30,659.00
District's Contribution in Relation to the Contractually Required Contribution	(41,381.00)	(38,922.00)	(34,803.00)	(46,066.00)	(39,864.00)	(40,483.00)	(38,158.00)	(35,883.00)	(33,355.00)	(30,659.00)
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 240,300.00	\$ 234,965.00	\$ 227,476.00	\$ 271,286.00	\$ 297,980.00	\$ 288,509.00	\$ 285,590.00	\$ 281,612.00	\$ 273,166.00	\$ 266,261.00
District's Contributions as a Percentage of its Covered-Employee Payroll	17.22%	16.57%	15.30%	16.98%	13.38%	14.03%	13.36%	12.74%	12.21%	11.51%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of the District's Proportionate Share of the Net Pension Liability
Police and Firemen's Retirement System
Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.033530%	0.003323%	0.003295%	0.003348%	0.003372%	0.003434%	0.003288%	0.003154%	0.003298%	0.003159%
District's Proportionate Share of the Net Pension Liability	\$ 3,704,651.00	\$ 3,803,660.00	\$ 2,408,670.00	\$ 4,326,025.00	\$ 4,127,074.00	\$ 4,646,864.00	\$ 5,076,733.00	\$ 6,025,780.00	\$ 5,493,458.00	\$ 3,973,892.00
District's Covered-Employee Payroll	\$ 1,221,532.00	\$ 1,183,410.00	\$ 1,155,212.00	\$ 1,167,871.00	\$ 1,141,140.00	\$ 1,027,539.00	\$ 1,031,117.00	\$ 1,074,212.00	\$ 1,095,855.00	\$ 1,069,420.00
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	303.28%	321.42%	208.50%	370.42%	361.66%	452.23%	492.35%	560.95%	501.29%	371.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of District Contributions
Police and Firemen's Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Contractually Required Contribution	\$ 446,351.00	\$ 432,178.00	\$ 384,069.00	\$ 374,026.00	\$ 340,649.00	\$ 335,731.00	\$ 291,034.00	\$ 257,194.00	\$ 268,085.00	\$ 242,643.00
District's Contribution in Relation to the Contractually Required Contribution	(446,351.00)	(432,178.00)	(384,069.00)	(374,026.00)	(340,649.00)	(335,731.00)	(291,034.00)	(257,194.00)	(268,085.00)	(242,643.00)
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 1,150,763.00	\$ 1,221,532.00	\$ 1,183,410.00	\$ 1,155,212.00	\$ 1,167,871.00	\$ 1,141,140.00	\$ 1,027,539.00	\$ 1,031,117.00	\$ 1,074,212.00	\$ 1,095,855.00
District's Contributions as a Percentage of it's Covered-Employee Payroll	38.79%	35.38%	32.45%	32.38%	29.17%	29.42%	28.32%	24.94%	24.96%	22.14%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of the District's Proportionate Share of the Net Pension Liability
Police and Firemen's Retirement System - Special Funding
 Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.033530%	0.033230%	0.03295%	0.033348%	0.003372%	0.003434%	0.003288%	0.003154%	0.003298%	0.003159%
District's Proportionate Share of the Net Pension Liability	\$ 682,625.00	\$ 676,940.00	\$ 677,438.00	\$ 671,379.00	\$ 651,673.00	\$ 631,200.00	\$ 568,637.00	\$ 506,016.00	\$ 481,758.00	\$ 427,921.00
District's Covered-Employee Payroll	\$ 1,221,532.00	\$ 1,183,410.00	\$ 1,155,212.00	\$ 1,167,871.00	\$ 1,141,140.00	\$ 1,027,539.00	\$ 1,031,117.00	\$ 1,074,212.00	\$ 1,095,855.00	\$ 1,069,420.00
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	55.88%	57.20%	58.64%	57.49%	57.11%	61.43%	55.15%	47.11%	43.96%	40.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of District Contributions
Special Funding Situation - Police and Firemen's Retirement System & Public Employee's Retirement System
Last Ten Fiscal Years

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police and Firemen's Retirement System										
District's Contractually Required Contribution	\$ 78,066.00	\$ 84,276.00	\$ 58,849.00	\$ 51,662.00	\$ 43,909.00	\$ 37,382.00	\$ 28,434.00	\$ 19,389.00	\$ 25,078.00	\$ 17,769.00
District's Contribution in Relation to the Contractually Required Contribution	(78,066.00)	(84,276.00)	(58,849.00)	(51,662.00)	(43,909.00)	(37,382.00)	(28,434.00)	(19,389.00)	(25,078.00)	(17,769.00)
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 1,221,532.00	\$ 1,183,410.00	\$ 1,155,212.00	\$ 1,167,871.00	\$ 1,141,140.00	\$ 1,027,539.00	\$ 1,031,117.00	\$ 1,074,212.00	\$ 1,095,855.00	\$ 1,069,420.00
District's Contributions as a Percentage of its Covered-Employee Payroll	6.39%	7.12%	5.09%	4.42%	3.85%	3.64%	2.76%	1.80%	2.29%	1.66%
Public Employee's Retirement System*										
District's Contractually Required Contribution	\$ 1,399.00	\$ 980.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Contribution in Relation to the Contractually Required Contribution	(1,399.00)	(980.00)	-	-	-	-	-	-	-	-
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 240,300.00	\$ 234,965.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Contributions as a Percentage of its Covered-Employee Payroll	0.58%	0.42%	-	-	-	-	-	-	-	-

*2022 is the first year of the Special Funding Situation for the Public Employee's Retirement System.

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit Liability
Last Eight Fiscal Years

	Measurement Date Ended June 30,							
	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Other Postemployment Benefit Liability (asset)	0.028502%	0.025410%	0.026530%	0.027830%	0.026830%	0.024140%	0.025735%	0.026333%
District's Proportionate Share of the Net Other Postemployment Benefit Liability (asset)	\$ 4,277,164	\$ 4,103,774	\$ 4,774,982	\$ 4,994,722	\$ 3,633,869	\$ 3,781,922	\$ 5,254,003	\$ 5,718,860
District's Covered-employee Payroll	\$ 1,391,063	\$ 1,456,497	\$ 1,410,886	\$ 1,426,498	\$ 1,465,851	\$ 1,429,649	\$ 1,313,129	\$ 1,312,729
District's Proportionate Share of the Net Other Postemployment Benefit Liability (asset) as a Percentage of its Covered-employee Payroll	307.47%	281.76%	338.44%	350.14%	247.90%	264.54%	400.11%	435.65%
Plan Fiduciary Net Position as a Percentage of the Total Other Postemployment Benefit Liability	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

Deptford Township Fire District No. 1
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Public Employees' Retirement System (PERS)

Changes of Benefit Terms – None

Changes of Assumptions – None

Police and Firemen's Retirement System (PFRS)

Changes of Benefit Terms – None

Changes of Assumptions – None

State Health Benefit Local Retired Employees Plan (OPEB)

Changes of Benefit Terms – None

Changes of Assumptions – The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

EXHIBIT F-1

TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
Capital Projects Fund
Statement of Project Expenditures
For the year ended December 31, 2023

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance December 31, 2023</u>
		<u>Appropriations</u>	<u>Prior Years</u> / <u>Current Year</u>	
Purchase of Aerial Apparatus	2/18/2017	\$ 1,300,000.00	\$ 1,290,337.00 / \$ -	\$ 9,663.00
Total		\$ 1,300,000.00	\$ 1,290,337.00 / \$ -	\$ 9,663.00
Reserve for Future Capital Outlay		<u>Balance January 1, 2023</u>	<u>Transfer from Budget</u> / <u>Transfer to Designated</u>	<u>Balance December 31, 2023</u>
		\$ 1,156,346.53	\$ 400,000.00 / \$ -	\$ 1,556,346.53
Total		\$ 1,156,346.53	\$ 400,000.00 / \$ -	\$ 1,556,346.53

**DEPTFORD FIRE DISTRICT NO. 1
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE YEAR ENDED DECEMBER 31, 2023**

DESCRIPTION	DATE OF ISSUE	TERM	AMOUNT OF ORIGINAL ISSUE		INTEREST RATE	PRINCIPAL OUTSTANDING JANUARY 1, 2023	RETIRED	PRINCIPAL OUTSTANDING DECEMBER 31, 2023	DUE IN 1 YEAR
			PRINCIPAL	INTEREST					
Purchase 3 2021 Ford F-250	11/4/20	3 years	\$ 171,433.44	\$ 13,747.11	3.96%	\$ 59,376.57	\$ 59,376.57	\$ -	\$ -
Total						\$ 59,376.57	\$ 59,376.57	\$ -	\$ -

DEPTFORD TOWNSHIP FIRE DISTRICT NO. 1
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF DEPTFORD FIRE DISTRICT NO. 1
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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*.

FINANCIAL STATEMENT FINDINGS

No financial statement findings in prior year.



Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Medford, New Jersey
September 5, 2024

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