

**FIRE DISTRICT NO. 1
OF THE TOWNSHIP OF BORDENTOWN**

Financial Statements

For the year ended December 31, 2024

(With Independent Auditor's Report thereon)

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Financial Statements
For the year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Fire District No. 1 of the Township of Bordentown
County of Burlington
Bordentown, 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 Fire District No. 1 of the Township of Bordentown, County of Burlington, State of New Jersey, herein referred to as the District, as of and for the year ended December 31, 2024, 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 Fire District No. 1 of the Township of Bordentown, County of Burlington, State of New Jersey, herein referred to as the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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.

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

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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 October 7, 2025, 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
October 7, 2025

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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
Fire District No. 1 of the Township of Bordentown
County of Burlington
Bordentown, 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 each major fund of the Fire District No. 1 of the Township of Bordentown as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fire District No. 1 of the Township of Bordentown’s basic financial statements and have issued our report thereon dated October 7, 2025.

Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire District No. 1 of the Township of Bordentown'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 Fire District No. 1 of the Township of Bordentown'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
October 7, 2025

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN

MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the Fire District No. 1 of the Township of Bordentown (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, 2024. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

Financial Highlights

Total assets were \$3,022,640; deferred outflows were \$2,840,804; total liabilities were \$5,068,291 and total deferred inflows were \$1,043,286 resulting in net position of \$(248,133) as of December 31, 2024.

The Fire district’s unrestricted net position was \$(1,297,234) for the year ended December 31, 2024.

Operating Revenues totaled \$2,041,636 for the year ended December 31, 2024.

Operating Expenses were \$1,846,775 for the year ended December 31, 2024. The single largest expense was salaries and wages, which was \$696,945.

Bonds Payable of \$1,275,000 decreased by \$95,000 due to principal pay down to arrive at ending balance of \$1,180,000 during 2024.

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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN

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, 2024 and 2023:

Table 1
Condensed Summary of Net Position

Years Ended December 31,	2024	2023	Increase/ (Decrease)
Assets:			
Current Assets	\$ 1,219,482	\$ 824,099	\$ 395,383
Capital Assets (Net of Depreciation)	1,803,158	1,881,301	(78,143)
Total Assets	<u>3,022,640</u>	<u>2,705,400</u>	<u>317,240</u>
Deferred Outflows of Resources	<u>2,840,804</u>	<u>2,842,940</u>	<u>(2,136)</u>
Total Assets and Deferred Outflows of Resources	<u>5,863,444</u>	<u>5,548,340</u>	<u>315,104</u>
Liabilities:			
Current Liabilities	208,082	232,029	(23,947)
Non-Current Liabilities	4,860,209	4,652,741	207,468
Total Liabilities	<u>5,068,291</u>	<u>4,884,770</u>	<u>183,521</u>
Deferred Inflows of Resources	<u>1,043,286</u>	<u>1,106,564</u>	<u>(63,278)</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,111,577</u>	<u>5,991,334</u>	<u>120,243</u>
Net Position:			
Invested in Capital Assets	623,158	606,301	16,857
Restricted - Future Capital Outlays	425,943	347,148	78,795
Unrestricted	(1,297,234)	(1,396,443)	99,209
Total Net Position	<u>\$ (248,133)</u>	<u>\$ (442,994)</u>	<u>\$ 194,861</u>

Financial Analysis of the Fire District

Net position increased by \$194,861. This increase was primarily due to the increase in Amount raised by taxation and results of operations in the current fiscal year.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN

MANAGEMENTS DISCUSSION AND ANALYSIS (continued)

Operating Activities

Table 2 summarizes the changes in revenues, expenses and net position between fiscal years December 31, 2024 and 2023.

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

<u>Revenues</u>			
Operating Revenues:			
District Taxes	\$ 1,901,923	\$ 1,616,930	\$ 284,993
Other	19,805	9,642	10,163
OPEB benefit	-	1,242,013	(1,242,013)
Total Revenues	<u>1,921,728</u>	<u>2,868,585</u>	<u>(946,857)</u>
 <u>Expenses</u>			
Administration	102,817	65,298	37,519
Costs of operations and maintenance	1,609,849	1,308,750	301,099
Operating appropriations offset with revenues	(22,837)	(25,027)	2,190
Interest expense	<u>37,038</u>	<u>39,887</u>	<u>(2,849)</u>
Total Operating Expenses	<u>(1,726,867)</u>	<u>(1,388,908)</u>	<u>(337,959)</u>
Change in Net Position	194,861	1,479,677	(1,284,816)
Total Net Position, Beginning of Year	<u>(442,994)</u>	<u>(1,922,671)</u>	<u>1,479,677</u>
Total Net Position, End of Year	<u>\$ (248,133)</u>	<u>\$ (442,994)</u>	<u>\$ 194,861</u>

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

Revenues decreased by \$946,857 in 2024, attributable to a prior year benefit created due to the actuarial calculation of other post-employment benefits liability that did not occur in the current year. In the current year, the actuarial calculation of other post-employment benefits liability created an expense.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN

MANAGEMENTS DISCUSSION AND ANALYSIS (continued)

Capital Assets and Debt Administration

The District issued bonds on March 25, 2015 in the amount of \$1,960,000 at an interest rate ranging from 0.35% - 3.50% for capital improvements on the Mission Fire Station.

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2024 and 2023.

Table 3
Capital Assets - Net of Depreciation

Years ended December 31,	<u>2024</u>	<u>2023</u>	<u>Increase/ Decrease</u>
Land	\$ 13,300	\$ 13,300	-
Building & Building Improvements	2,372,635	2,372,635	-
Vehicles	1,255,506	1,255,506	-
Equipment	<u>71,046</u>	<u>71,046</u>	-
Total Capital Assets	<u>3,712,487</u>	<u>3,712,487</u>	-
Less: Accumulated Depreciation	<u>1,909,329</u>	<u>1,831,186</u>	78,143
Total Capital Assets, Net Depreciation	<u>\$ 1,803,158</u>	<u>\$ 1,881,301</u>	(78,143)

Debt Outstanding

The Fire District's long-term debt was \$1,180,000 at December 31, 2024. The general obligation bonds will be paid from property tax revenue and the final maturity will be January 15, 2034. Additional information on the Fire District's long-term debt can be found at Note 5 in the financial statements.

Next Year's Budget

The District adopted a \$2,479,973 operating budget for 2025, an increase of \$415,695 when compared to 2024. The Tax Levy increased by \$412,883 or 21.7% over the 2024 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 question about this report or need any additional information, contact the Fire District in writing, at 51 Groveville Road, Yardville, New Jersey 08620 or the Bordentown Township Fire District Board Secretary by telephone at (609) 298-2800.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Statement of Net Position
December 31, 2024

	<u>Governmental Activities</u>
	<u>2024</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 778,230
Accounts receivable	15,309
Cash - restricted	425,943
Total current assets	<u>1,219,482</u>
Capital assets (See Note 4):	
Non-depreciable	13,300
Depreciable	1,789,858
Total capital assets	<u>1,803,158</u>
Total assets	<u>3,022,640</u>
Deferred Outflow of Resources:	
Deferred outflows Related to Pensions (See Note 6)	274,678
Deferred outflows Related to OPEB (See Note 7)	2,566,126
Total deferred outflow of resources	<u>2,840,804</u>
Total assets and deferred outflow of resources	<u>5,863,444</u>
Liabilities:	
Current liabilities:	
Accounts payable	8,567
Pension payable	182,594
Accrued interest	16,921
Noncurrent liabilities (See Note 5):	
Due Within One Year	100,000
Due in More Than One Year	4,760,209
Total Liabilities	<u>5,068,291</u>
Deferred Inflow of Resources:	
Deferred inflows related to pensions (See Note 6)	283,826
Deferred inflows Related to OPEB (See Note 7)	759,460
Total Deferred Inflow of Resources	<u>1,043,286</u>
Total liabilities and deferred inflow of resources	<u>6,111,577</u>
Net Position:	
Net investment in capital assets	623,158
Restricted for Capital Projects	425,943
Unrestricted (Deficit)	(1,297,234)
Total net position	<u>\$ (248,133)</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Statement of Activities
For the year ended December 31, 2024

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities 2024</u>
Government activities:			
Operation appropriations:			
Administration	\$ (102,817)	\$ -	\$ (102,817)
Costs of operations and maintenance	(1,609,849)	-	(1,609,849)
Operating appropriations offset with revenues	(97,071)	119,908	22,837
Interest expense	(37,038)	-	(37,038)
Total government activities	<u>(1,846,775)</u>	<u>119,908</u>	<u>(1,726,867)</u>
 General revenues:			
Miscellaneous revenue			4,496
Operating grant revenues			15,309
Amount raised by taxation			<u>1,901,923</u>
Total general revenues			<u>1,921,728</u>
 Change in net position			194,861
Net position, January 1			<u>(442,994)</u>
Net position, December 31			<u><u>\$ (248,133)</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total December 31, 2024</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 778,230	\$ -	\$ -	\$ 778,230
Restricted cash and cash equivalents	-	-	425,943	425,943
Accounts receivable	-	15,309	-	15,309
Interfund receivable	15,309	-	-	15,309
Total assets	<u>793,539</u>	<u>15,309</u>	<u>425,943</u>	<u>1,234,791</u>
Liabilities, equity and other credits:				
Accounts payable	8,567	-	-	8,567
Interfund payable	-	15,309	-	15,309
Total liabilities	<u>8,567</u>	<u>15,309</u>	<u>-</u>	<u>23,876</u>
Fund balances:				
Restricted for:				
Capital - future capital outlays	-	-	399,057	399,057
Capital - station renovations	-	-	26,886	26,886
Assigned for:				
Subsequent year's expenditures	50,000	-	-	50,000
Unassigned, reported in:				
General fund	734,972	-	-	734,972
Total fund balance	<u>784,972</u>	<u>-</u>	<u>425,943</u>	<u>1,210,915</u>
Total liabilities and fund balance	<u>\$ 793,539</u>	<u>\$ 15,309</u>	<u>\$ 425,943</u>	
 Amounts reported for governmental activities in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,712,487 and the accumulated depreciation is \$1,909,329.				1,803,158
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows Related to Pensions & OPEB				2,840,804
Deferred Inflows Related to Pensions & OPEB				(1,043,286)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				(16,921)
Accrued pension contributions for the June 30, 2024 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.				(182,594)
Long-term liabilities, including net pension liability, other post-employment benefits liability, bonds payable and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				<u>(4,860,209)</u>
Net position of governmental activities				<u>\$ (248,133)</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Totals December 31, 2024</u>
Revenues:					
Miscellaneous anticipated revenue:					
Interest income	\$ 701	\$ -	\$ 3,795	\$ -	\$ 4,496
Miscellaneous income	-	-	-	-	-
Total miscellaneous revenues	<u>701</u>	<u>-</u>	<u>3,795</u>	<u>-</u>	<u>4,496</u>
Grant revenues:					
American Rescue Plan - Firefighter	-	15,309	-	-	15,309
Total grant revenue	<u>-</u>	<u>15,309</u>	<u>-</u>	<u>-</u>	<u>15,309</u>
Uniform fire safety act revenues:					
Other revenue	119,908	-	-	-	119,908
Total uniform fire safety act revenues	<u>119,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,908</u>
Total revenues	<u>120,609</u>	<u>15,309</u>	<u>3,795</u>	<u>-</u>	<u>139,713</u>
Amount raised by taxation to support district budget					
	1,693,579	-	75,000	133,344	1,901,923
Total anticipated revenues	<u>1,814,188</u>	<u>15,309</u>	<u>78,795</u>	<u>133,344</u>	<u>2,041,636</u>
Expenditures:					
Operating appropriations:					
Administration:					
Salaries and wages	29,300	-	-	-	29,300
Fringe benefits	36,493	-	-	-	36,493
Other expenditures:					
Elections	1,896	-	-	-	1,896
Office supplies	11,678	-	-	-	11,678
Other administration	23,450	-	-	-	23,450
Total administration	<u>102,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,817</u>
Cost of operations and maintenance:					
Salaries and wages	597,093	-	-	-	597,093
Fringe benefits	496,549	-	-	-	496,549
Other expenditures:					
Insurance	28,371	-	-	-	28,371
Maintenance and repairs	94,657	-	-	-	94,657
Other operations and maintenance	52,230	-	-	-	52,230
Total cost of operations and maintenance	<u>1,268,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,268,900</u>
Operating appropriations offset with revenues:					
Salaries and wages	70,552	-	-	-	70,552
Fringe benefits	5,014	-	-	-	5,014
Other expenditures	21,505	-	-	-	21,505
Total operating appropriations offset with revenues	<u>97,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,071</u>
Capital expenditures - non-bondable	<u>25,529</u>	<u>15,309</u>	<u>-</u>	<u>-</u>	<u>40,838</u>
Debt service for capital appropriations:					
Bond principal	-	-	-	95,000	95,000
Interest on bond	-	-	-	38,344	38,344
Total debt service for capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,344</u>	<u>133,344</u>
Total operating appropriations	<u>1,494,317</u>	<u>15,309</u>	<u>-</u>	<u>133,344</u>	<u>1,642,970</u>
Excess of revenues over expenditures	319,871	-	78,795	-	398,666
Fund balance, January 1	465,101	-	347,148	-	812,249
Fund balance, December 31	<u>\$ 784,972</u>	<u>\$ -</u>	<u>\$ 425,943</u>	<u>\$ -</u>	<u>\$ 1,210,915</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance in
the Governmental Funds to the Statement of Activities
December 31, 2024

Total net changes in Fund Balance-Governmental Funds (B-2)	\$	398,666
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditure. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	<u>(78,143)</u>	(78,143)
Governmental funds report Fire District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the Fire District's pension contributions in the current period.		
		37,654
Governmental funds report Fire District other post-employment benefit contributions 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 post-employment benefit liability is measured a year before the District's report date. Other post-employment expense, which is the change in the net other post-employment benefit liability adjusted for changes in deferred outflows and inflows of resources related to other post-employment benefits is reported in the Statement of Activities.		
		(259,913)
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		
		95,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		1,306
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations), 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 (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>291</u>
Change in Net Position of Governmental Activities	\$	<u>194,861</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

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FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements
For the year ended December 31, 2024

NOTE 1. GENERAL INFORMATION

A. Description of Reporting Entity

Fire District No. 1 of the Township of Bordentown is a political subdivision of the Township of Bordentown, County of Burlington, State of New Jersey. A board of five commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire Districts are governed by the *N.J.S.A. 40A: 14-70* et al. and are taxing authorities charged with the responsibility of providing the resources necessary to provide fire fighting services to the residents within its territorial location.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District
- ◆ the organization is legally separate (can sue or be sued in their own name)

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. District Officials

The District is governed by a board of five commissioners. The following were in office at December 31, 2024:

Officials
John D. Kinsley Jr.
Salvatore A. Guido
Timothy J. Kinsley
Matt Mezger Jr.
Raymond Fackenthal

C. Accounting Records

The official accounting records of the Fire District are maintained in the office of Fire District No. 1 of the Township of Bordentown.

D. Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 1. GENERAL INFORMATION (continued)

E. Component Units

GASB Statement No.14, The Financial Reporting Entity, 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. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units and GASB Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61. The District had no component units as of for the year ended December 31, 2024.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 Board's accounting policies are described below.

The basic 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). Fiduciary fund financial statements also report using the same focus. 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 2 O) 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.

B. Fund Accounting

The accounts of the 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 two categories: governmental and fiduciary. Each category, in turn is divided into separate "fund types."

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fire fighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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 firefighting 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.

Debt Service Fund

The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

C. Government-Wide and Fund Financial Statements

Government Wide Financial Statements

The government-wide financial statements (A-1 and A-2) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 District does not allocate general government (indirect) expenses to other functions.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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 District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund 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 District as a whole excluding the fiduciary activities. All inter-fund activity, excluding the fiduciary funds, 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.

Fund Financial Statements

The fund financial statements provide detail of the governmental funds.

D. 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.

In its accounting and financial reporting, the Fire District No. 1 of the Township of Bordentown follows the pronouncements of the Governmental Accounting Standards Board (GASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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.

F. 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, other than in the special revenue fund, 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. There were no encumbrances at December 31, 2024.

G. Cash, Cash Equivalents and Investments

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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash, Cash Equivalents and Investments (continued)

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 they 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 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.

H. Prepaid Expenses

Prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

I. Debt Limitation

N.J.S.A.40A:14-85 governs procedures for the issuance of any debt related to capital purchases. In summary, Fire Districts may purchase firefighting apparatus and equipment and 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.

J. 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 District has set capitalization thresholds for reporting capital assets of \$2,000.

Depreciation is recorded on the straight-line method (with half a year deprecation applied to the first year of acquisition) over the useful lives of the assets as follows:

Vehicles and Apparatus	5-25 years
Equipment	5-10 years

K. 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.

L. Interfund Receivable/Payable

Interfund receivables and payables that arise from transactions between funds that are due within one year are recorded by all funds affected by such transactions in the periods in which the transaction is executed.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences

Fire District employees are entitled to sick leave. Unused sick leave may be accrued and may be carried forward to subsequent years. 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.

N. 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 unmatured interest on general long-term debt, which is recognized when due.

O. Fire District Taxes

Upon proper certification to the assessor of the District 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 District 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.

P. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Q. Pensions Section

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Fire District No. 1 of the Township of Bordentown 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 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 or 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

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.

S. 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 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.

T. 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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended December 31, 2024:

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

Recently Issued Accounting Pronouncements

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

Statement No. 102, *Certain Risk Disclosures*, requires a government to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. 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.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires a government to disclose certain types of capital assets separately in the capital assets note previously required by Statement No. 34. The standard requires separate disclosure for lease assets in accordance with Statement No. 87, intangible right-to-use assets in accordance with Statement No. 94 and subscription assets in accordance with Statement No. 96. Statement No. 104 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

V. Subsequent Events

Fire District No. 1 of the Township of Bordentown has evaluated subsequent events occurring after December 31, 2024 through the date of October 7, 2025, which is the date the financial statements were available to be issued. No items have come to the attention of the District that would require disclosure.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 3. CASH AND CASH EQUIVALENTS

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’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 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2024, the District’s bank balance of \$1,220,595 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District’s name under GUDPA	<u>970,595</u>
Total	<u>\$ 1,220,595</u>

NOTE 4. 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.

Fixed assets consisted of the following at December 31, 2024:

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 4. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>1/1/2024</u>	<u>Additions</u>	<u>Retirements</u> <u>& Transfers</u>	<u>Balance</u> <u>12/31/2024</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 13,300	\$ -	\$ -	\$ 13,300
Total capital assets that are not being depreciated	<u>13,300</u>	<u>-</u>	<u>-</u>	<u>13,300</u>
Vehicles and apparatus	1,255,506		-	1,255,506
Buildings and improvements	2,372,635	-	-	2,372,635
Equipment	<u>71,046</u>	<u>-</u>	<u>-</u>	<u>71,046</u>
Totals at historical cost	<u>3,699,187</u>	<u>-</u>	<u>-</u>	<u>3,699,187</u>
Less: accumulated depreciation				
Vehicles and apparatus	(1,144,387)	(28,988)	-	(1,173,375)
Buildings and improvements	(617,798)	(48,746)	-	(666,544)
Equipment	<u>(69,001)</u>	<u>(409)</u>	<u>-</u>	<u>(69,410)</u>
Total accumulated depreciation	<u>(1,831,186)</u>	<u>(78,143)</u>	<u>-</u>	<u>(1,909,329)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>\$ 1,881,301</u>	<u>\$ (78,143)</u>	<u>\$ -</u>	<u>\$ 1,803,158</u>

NOTE 5. LONG-TERM OBLIGATIONS

During the fiscal year ended December 31, 2024 the following changes occurred in liabilities reported in long-term debt:

	<u>Balance</u> <u>12/31/2023</u>	<u>Accrued/</u> <u>increases</u>	<u>Retired/</u> <u>decreases</u>	<u>Balance</u> <u>12/31/2024</u>	<u>Due within</u> <u>one year</u>
Bonds payable	\$ 1,275,000	\$ -	\$ 95,000	\$ 1,180,000	\$ 100,000
OPEB liability	1,645,017	616,083	-	2,261,100	-
Net pension liability	1,685,062	-	313,324	1,371,738	-
Compensated Absences	<u>47,662</u>	<u>(291)</u>	<u>-</u>	<u>47,371</u>	<u>-</u>
Total	<u>\$ 4,652,741</u>	<u>\$ 615,792</u>	<u>\$ 408,324</u>	<u>\$ 4,860,209</u>	<u>\$ 100,000</u>

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 5. LONG-TERM OBLIGATIONS (continued)

A. Bonds Payable

Bonds and loans are authorized in accordance with State law by the voters of the Fire District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Fire District are general obligation bonds.

On March 25, 2015, the Fire District issued \$1,960,000 general obligation bonds at an interest rate ranging from 0.35% - 3.50% for the capital improvement program consisting of repairs and improvements to the Mission Fire Station. The final maturity of these bonds is January 15, 2034. The bond will be paid from property tax revenue.

Principal and interest due on bonds outstanding are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 100,000	\$ 35,419	\$ 135,419
2026	100,000	32,419	132,419
2027	105,000	29,344	134,344
2028	110,000	26,118	136,118
2029	115,000	22,744	137,744
2030-2034	650,000	55,628	705,628
	<u>\$ 1,180,000</u>	<u>\$ 201,672</u>	<u>\$ 1,381,672</u>

NOTE 6. 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.

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

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 2024, the State's pension contribution was less than the actuarial 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 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 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, 2024, the District's contractually required contribution to PERS plan was \$3,404.

Components of Net Pension Liability - At December 31, 2024, the District's proportionate share of the PERS net pension liability was \$33,992. The net pension liability was measured as of June 30, 2024. 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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024. The District's proportion measured as of June 30, 2023, was 0.000250% which was a decrease of 0.000012% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2024, the District's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2024 measurement date is \$2,504.

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 681	\$ 90
Changes of Assumptions	42	387
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,576
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	7,227	2,373
	\$ 7,950	\$ 4,426

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. 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 Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
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
June 30, 2024	5.08	5.08

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. 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	<u>Dec 31,</u>	<u>Amount</u>
2024		\$ 3,823
2025		(2,958)
2026		1,702
2027		983
2028		(26)
		\$ 3,524
		\$ 3,524

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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

The actuarial assumptions used in the July 1, 2023 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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 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%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. 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>
District's Proportionate Share of the Net Pension Liability	<u>\$ 45,547</u>	<u>\$ 33,992</u>	<u>\$ 24,688</u>

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, 2024. The State's proportionate share of the contribution associated with the special funding situation was \$110 as of December 31, 2024. These are based on measurements as of June 30, 2024.

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>.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

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.

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 2024, the State contributed an amount more 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, 2024, the District’s contractually required contributions to PFRS plan was \$179,190.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

Net Pension Liability and Pension Expense - At December 31, 2024 the District’s proportionate share of the PFRS net pension liability was \$1,337,746. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024. The District’s proportion measured as of June 30, 2024, was 0.01295%, which was a decrease of 0.00196% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2024, the District’s proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2024 measurement date was \$161,822.

At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 84,277	\$ 45,797
Changes of Assumptions	2,115	39,287
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	10,470
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	180,336	183,846
	\$ 266,728	\$ 279,400

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

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
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	-
June 30, 2024	6.09	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17
June 30, 2022	6.22	6.22
June 30, 2023	6.16	6.16
June 30, 2024	6.09	6.09

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:

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2024	\$	(89,612)
2025		103,254
2026		(25,916)
2027		(12,035)
2028		10,706
Thereafter		<u>931</u>
	<u>\$</u>	<u>(12,672)</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 \$263,734 as of December 31, 2024. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024 was 0.01295%, which was a decrease of 0.00196% from its proportion measured as of June 30, 2023, which is the same proportion as the District’s. At December 31, 2024, the District’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

District's Proportionate Share of Net Pension Liability	\$ 1,337,746
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the District	<u>263,734</u>
	<u>\$ 1,601,480</u>

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

At December 31, 2024, the State’s proportionate share of the PFRS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$30,340.

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, 2023 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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

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, 2024 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. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity 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:

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 6. PENSION OBLIGATIONS (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.0%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 1,911,341	\$ 1,337,746	\$ 860,067
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	376,817	263,734	169,560
	\$ 2,288,158	\$ 1,601,480	\$ 1,029,627

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

NOTE 7. 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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 7. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

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.

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, 2024 were \$4,833,833,875 and \$12,914,432,673, 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, 2023 through June 30, 2024. 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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 7. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Net OPEB Liability

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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.

OPEB Obligation and OPEB (benefit) Expense - The District's proportionate share of the total Other Post-Employment Benefits Obligations as of June 30, 2024 was \$2,261,100.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

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, 2023 through June 30, 2024. At June 30, 2024, the District's proportionate share of the OPEB Obligation was 0.012628%, which was an increase of 0.001666% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized an OPEB (benefit) expense in the amount of \$318,287 for the District's proportionate share of the OPEB (benefit) expense. This OPEB (benefit) expense was based on the OPEB plans June 30, 2024 measurement date.

Actuarial assumptions used in the July 1, 2023 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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 7. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

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, 2024, 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:

	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Fire District	\$ 2,633,938	\$ 2,261,100	\$ 1,962,490
State of New Jersey's Total Nonemployer OPEB Liability	\$ 20,857,914,273	\$ 17,905,445,505	\$ 15,540,780,410

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

The following presents the net OPEB liability as of June 30, 2024, 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:

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 7. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Fire District	\$ 1,912,429	\$ 2,261,100	\$ 2,709,393
State of New Jersey's Total Nonemployer OPEB Liability	\$ 15,144,352,142	\$ 17,905,445,505	\$ 21,455,435,620

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:	
2025	\$ (1,123,975,872)
2026	(483,903,543)
2027	(83,156,324)
2028	(443,334,965)
2029	(282,447,899)
Thereafter	<u>302,959,969</u>
	<u>\$ (2,113,858,634)</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, 2023, the Program membership consisted of the following:

	<u>June 30, 2023</u>
Active Plan Members	60,691
Retirees Currently Receiving Benefits	<u>28,899</u>
Total Plan Members	<u><u>89,590</u></u>

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 7. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

Service Cost	\$	545,086,159
Interest on the Total OPEB Liability		554,448,470
Change of Benefit Terms		107,670,542
Differences Between Expected and Actual Experience		408,491,660
Changes of Assumptions		1,735,990,164
Contributions From the Employer		(399,436,504)
Contributions From Non-Employer Contributing Entity		(62,827,411)
Net Investment Income		(1,636,336)
Administrative Expense		11,119,284
		11,119,284
 Net Change in Total OPEB Liability		 2,898,906,028
 Total OPEB Liability (Beginning)		 15,006,539,477
		15,006,539,477
 Total OPEB Liability (Ending)		 \$ 17,905,445,505
		17,905,445,505

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund receivables and payables as of December 31, 2024 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 15,309	\$ -
Special Revenue Fund	-	15,309
	-	15,309
Total	\$ 15,309	\$ 15,309
	\$ 15,309	\$ 15,309

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

NOTE 9. FUNDING

The activities of the Board of Commissioners are primarily funded by fire tax on property owners of the Fire District, as provided for by the state statute. For the year ended December 31, 2024, the fire tax rate on the Fire District No. 1 was \$0.479 per \$100 of assessed valuation.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Notes to Financial Statements (continued)
For the year ended December 31, 2024

NOTE 10. FUND BALANCE

General Fund – Of the \$784,972 that was recorded as fund balance in the General Fund at December 31, 2024, \$50,000 was assigned for subsequent year’s expenditures and the remaining balance of \$734,972 was unassigned.

Capital Projects Fund – Of the \$425,943 that was recorded as fund balance in the Capital Projects Fund at December 31, 2024, \$425,943 is restricted for capital appropriations.

NOTE 11. DEFICIT UNRESTRICTED NET POSITION

Unrestricted Net Position – As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(1,297,234) existed as of December 31, 2024 for governmental activities. The primary cause of this deficit is the District recording their proportionate share of the net pension liability and other post-employment benefits liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 2), pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

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FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Budgetary Comparison Schedule
For the year ended December 31, 2024

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Miscellaneous Unanticipated Revenue:				
Interest Income	\$ -	\$ -	\$ 4,496	\$ 4,496
Total Miscellaneous Revenues	-	-	4,496	4,496
Operating Grant Revenues:				
Supplemental Fire Service Act	1,566	1,566	-	(1,566)
Total Operating Grant Revenue	1,566	1,566	-	(1,566)
Uniform Fire Safety Act Revenues:				
Other Revenue	110,790	110,790	119,908	9,118
Total Uniform Fire Safety Act Revenues	110,790	110,790	119,908	9,118
Total Revenues	112,356	112,356	124,404	12,048
Amount Raised by Taxation to Support District Budget	1,901,923	1,901,923	1,901,923	-
Total Anticipated Revenues	2,014,279	2,014,279	2,026,327	12,048
Expenditures:				
Operating Appropriations:				
Administration:				
Salaries and Wages	31,942	29,942	29,300	642
Fringe benefits	38,025	38,025	36,493	1,532
Other Expenditures:				
Elections	3,000	2,000	1,896	104
Office Supplies	10,000	11,800	11,678	122
Other Administration	22,500	23,700	23,450	250
Total Administration	105,467	105,467	102,817	2,650
Cost of Operations and Maintenance:				
Salaries and Wages	712,127	712,127	597,093	115,034
Fringe Benefits	699,572	699,572	496,549	203,023
Other Expenditures:				
Insurance	29,251	29,251	28,371	880
Maintenance and Repairs	96,406	111,406	94,657	16,749
Other Operations and Maintenance	82,322	61,322	52,230	9,092
Non-Bondable Other Assets	20,000	26,000	25,529	471
Total Cost of Operations and Maintenance	1,639,678	1,639,678	1,294,429	345,249
Operating Appropriations Offset with Revenues:				
Salaries and Wages	85,188	82,588	70,552	12,036
Fringe Benefits	6,602	6,602	5,014	1,588
Other Expenditures	19,000	21,600	21,505	95
Total Operating Appropriations Offset with Revenues	110,790	110,790	97,071	13,719
Capital Appropriations:				
Future Capital Purchases	75,000	75,000	-	75,000
Total Capital Appropriations	75,000	75,000	-	75,000
Debt Service for Capital Appropriations:				
Bond Principal	95,000	95,000	95,000	-
Interest on Bond	38,344	38,344	38,344	-
Total Debt Service for Capital Appropriations	133,344	133,344	133,344	-
Total Operating Appropriations	2,064,279	2,064,279	1,627,661	436,618
Excess (Deficiency) of revenues over (under) expenditures	(50,000)	(50,000)	398,666	448,666
Fund balance, January 1	812,249	812,249	812,249	-
Fund balance, December 31	\$ 762,249	\$ 762,249	\$ 1,210,915	\$ 448,666

The accompanying Notes to the Financial Statements are an integral part of this Statement.

FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Budgetary Comparison Schedule - Special Revenue Fund
For the year ended December 31, 2024

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Federal Sources - ARP	\$ -	\$ 74,000	\$ 15,309	\$ (58,691)
Total Revenues	<u>-</u>	<u>74,000</u>	<u>15,309</u>	<u>(58,691)</u>
Expenditures:				
Cost of Operations and Maintenance:				
Other Expenditures:				
Non-Bondable Other Assets	-	74,000	15,309	58,691
Total Expenditures	<u>-</u>	<u>74,000</u>	<u>15,309</u>	<u>58,691</u>
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.000250%	0.000262%	0.000270%	0.000176%	0.000178%	0.000181%	0.000283%	0.000244%	0.000329%	0.000330%
District's proportionate share of the net pension liability (asset)	\$ 33,992	\$ 37,963	\$ 40,737	\$ 20,858	\$ 29,068	\$ 32,695	\$ 55,782	\$ 56,764	\$ 97,314	\$ 73,553
State's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 33,992	\$ 37,963	\$ 40,737	\$ 20,858	\$ 29,068	\$ 32,695	\$ 55,782	\$ 56,764	\$ 97,314	\$ 73,553
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207%	191%	205%	132%	225%	216%	280%	336%	431%	325%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's contractually required contribution	\$ 3,404	\$ 3,503	\$ 3,404	\$ 2,062	\$ 1,950	\$ 1,765	\$ 2,818	\$ 2,259	\$ 2,919	\$ 2,817
Contributions in relation to the contractually required contributions	\$ 3,404	\$ 3,503	\$ 3,404	\$ 2,062	\$ 1,950	\$ 1,765	\$ 2,818	\$ 2,259	\$ 2,919	\$ 2,817
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,900	\$ 16,398	\$ 19,896	\$ 19,896	\$ 15,815	\$ 12,900	\$ 15,152	\$ 19,900	\$ 16,900	\$ 22,600
Contributions as a percentage of covered-employee payroll	26.39%	21.36%	17.11%	10.36%	12.33%	13.68%	18.60%	11.35%	17.27%	12.46%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.012954%	0.014908%	0.014834%	0.014697%	0.012836%	0.010225%	0.009852%	0.009777%	0.008430%	0.008200%
District's proportionate share of the net pension liability (asset)	\$ 1,337,746	\$ 1,647,099	\$ 1,697,899	\$ 1,074,262	\$ 1,658,580	\$ 1,251,344	\$ 1,333,168	\$ 1,509,306	\$ 1,610,833	\$ 1,366,454
State's Proportionate Share of the Net Pension Liability associated with the District	263,734	303,497	302,176	302,136	257,404	197,590	181,089	169,055	135,270	119,833
District's covered-employee payroll	\$ 1,601,480	\$ 1,950,596	\$ 2,000,075	\$ 1,376,398	\$ 1,915,984	\$ 1,448,934	\$ 1,514,257	\$ 1,678,361	\$ 1,746,103	\$ 1,486,287
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	288%	355%	32.6%	203%	32.5%	28.3%	36.4%	43.7%	49.6%	49.7%
Plan fiduciary net position as a percentage of the total pension liability	72.66%	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's contractually required contribution	\$ 179,190	\$ 198,449	\$ 192,918	\$ 171,294	\$ 143,400	\$ 103,286	\$ 96,320	\$ 86,524	\$ 68,754	\$ 66,684
Contributions in relation to the contractually required contributions	179,190	198,449	192,918	171,294	143,400	103,286	96,320	86,524	68,754	66,684
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 615,499	\$ 464,062	\$ 528,600	\$ 528,600	\$ 510,402	\$ 442,454	\$ 366,725	\$ 345,217	\$ 324,556	\$ 275,194
Contributions as a percentage of covered-employee payroll	29.11%	42.76%	36.50%	32.41%	28.10%	23.34%	26.26%	25.06%	21.18%	24.23%

FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Schedule of the District's Proportionate Share of the Net OPEB Liability
State Health Benefits Local Government Retired Employees Plan
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net OPEB liability (asset)	0.000000%	0.010962%	0.008895%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Districts proportionate share of the net OPEB liability (asset)	\$ 2,261,100	\$ 1,645,017	\$ 1,436,534	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
State's Proportionate Share of the Net OPEB Liability associated with the District	-	-	-	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
District's covered-employee payroll	\$ 480,460	\$ 548,496	\$ 548,496	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	471%	300%	262%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position/(deficit) as a percentage of the total OPEB liability	-0.89%	-0.79%	-0.36%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

**Fire District No. 1 of the Township of Bordentown
Notes to the Required Supplementary Information
For the year ended December 31, 2024**

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 3.65% as of June 30, 2023, to 3.93% as of June 30, 2024.

FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Long-Term Debt
Schedule of Serial Bonds Payable
For the year ended December 31, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Balance December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>		<u>January 1, 2024</u>	<u>Retired</u>	
General Obligation Bonds, 2015	3/25/15	\$ 1,960,000	1/15/25	\$ 100,000	3.00%	\$ 1,275,000	\$ 95,000	\$ 1,180,000
			1/15/26	100,000	3.00%			
			1/15/27	105,000	3.00%			
			1/15/28	110,000	3.00%			
			1/15/29	115,000	3.00%			
			1/15/30	120,000	3.00%			
			1/15/31	125,000	3.13%			
			1/15/32	130,000	3.25%			
			1/15/33	135,000	3.25%			
			1/15/34	140,000	3.50%			

The accompanying Notes to the Financial Statements are an integral part of this Statement.

FIRE DISTRICT NO.1 OF THE TOWNSHIP OF BORDENTOWN
Statistical Section
For the year ended Decmeber 31, 2024

Property Tax Levies

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding nine years.

Year	Assessed Valuation	Total Tax Levy	Property Tax Rates
2024	\$ 397,264,403	\$ 1,901,923	0.479
2023	401,646,803	1,616,930	0.403
2022	388,086,663	1,410,746	0.364
2021	388,327,613	1,161,290	0.300
2020	368,068,892	1,057,428	0.288
2019	366,480,664	1,013,411	0.277
2018	365,599,587	984,838	0.270
2017	364,425,171	947,166	0.260
2016	368,657,709	926,173	0.252
2015	366,371,765	754,207	0.206

Unrestricted Fund Balance - General Fund

Fiscal Year Ended	End of Fiscal Year	Utilization In Subsequent Budget
2024	\$ 784,972	\$ 50,000
2023	465,101	50,000
2022	308,589	50,000
2021	181,219	75,000
2020	212,849	75,000
2019	260,133	75,000
2018	277,907	100,000
2017	203,440	48,000
2016	251,146	45,000
2015	185,915	30,000

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Schedule of Financial Statement Findings
For the Year Ended December 31, 2024

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.

FIRE DISTRICT NO. 1 OF THE TOWNSHIP OF BORDENTOWN
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management
For the Year Ended December 31, 2024

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* and with audit requirements prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Financial Statement Findings

No financial statement findings in prior year.

Federal Awards

N/A – No Federal Single Audit in prior year

State Financial Assistance

N/A – No State Single Audit 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
October 7, 2025

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