

**FIRE DISTRICT NO. 4  
OF THE TOWNSHIP OF JACKSON**

**Financial Statements and Supplementary Information**

**For the year ended December 31, 2024**

**(With Independent Auditor's Report Thereon)**

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners  
Jackson Board of Fire Commissioners No. 4  
County of Ocean  
Jackson Township, State of New Jersey

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fire District No. 4 of the Township of Jackson County of Ocean, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fire District No. 4 of the Township of Jackson'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 Fire District No. 4 of the Township of Jackson, 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 Opinions

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 Local Finance Board and by the 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 Fire District No. 4 of the Township of Jackson, 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 these 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 Fire District No. 4 of the Township of Jackson'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, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and 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, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and 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 Fire District No. 4 of the Township of Jackson'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 Fire District No. 4 of the Township of Jackson's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

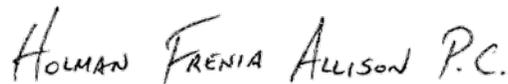
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider 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 Fire District No. 4 of the Township of Jackson's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is 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 December 18, 2025 on our consideration of Fire District No. 4 of the Township of Jackson'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 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 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 Fire District No. 4 of the Township of Jackson's internal control over financial reporting and compliance.



**HOLMAN FRENIA ALLISON, P.C.**

*Certified Public Accountants*

December 18, 2025  
Lakewood, New Jersey

**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***

To the Board of Fire Commissioners of  
Fire District No. 4 of the Township of Jackson  
County of Ocean  
Jackson Township, State of 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 Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fire District No. 4 of the Township of Jackson, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 18, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fire District No. 4 of the Township of Jackson’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. 4 of the Township of Jackson’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fire District No. 4 of the Township of Jackson’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire District No. 4 of the Township of Jackson'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 determination of financial statement amounts. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the 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 Fire District No. 4 of the Township of Jackson'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 Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering Fire District No. 4 of the Township of Jackson's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "HOLMAN FRENIA ALLISON P.C." in all capital letters.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

December 18, 2025  
Lakewood, New Jersey

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON  
MANAGEMENT DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

As management of the Fire District No. 4 of the Township of Jackson (hereafter referred to as the District) offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended, December 31, 2024. The intent of this narrative is to look at the District's overall financial performance in terms easily understood by the layperson. Please read this in conjunction with the District's financial statements which begin on page 13. Notes to the financial statements will provide the reader with additional useful information and they begin on page 19.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at December 31, 2024, by approximately \$364,400. During 2023, the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources was approximately \$781,200.
- During 2024, the District operated at a deficit of approximately \$416,800. During 2023, the District operated at a deficit of approximately \$538,000.
- The District's liabilities and deferred inflows of resources increased approximately \$498,800 in 2024 while assets and deferred outflows of resources increased by approximately \$82,000.
- As described in Note 2 to the financial statements, the District as adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendemnt of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. The adoption of these statements did not have a material impact on the District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The District's basic financial statements are comprised of three components: district wide financial statements; fund financial statements; and notes to the basic financial statements.

**Reporting on the District as a Whole**

Our analysis of the District as a whole begins on page 8. District wide financial statements are provided to give the reader a broad overview of the District's financial position and its financial activity for the year. It is presented in a format similar to the private sector to give the reader a familiar point of reference.

The district wide statement of net position presents information on all the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as the District's net position. Significant increases or decreases in the District's net position can be an indication of the financial health of the District. The district wide statement of activities presents financial information about activities that result in the District's net position increasing or decreasing during the year. Financial activities are recorded when the transactions occur rather than when the cash is received or disbursed. As a result, there could be activities that result in cash flow in a future period.

The district wide financial statements report on the financial data by function. The District has one basic function: activities that are supported by property taxes. The District provides firefighting services to the citizens within the jurisdiction of the District.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the District uses fund accounting to document compliance with finance-related legal matters. The District has one type of fund, which is the governmental fund.

### **Governmental Funds**

The District's activities are all reported in governmental funds. These funds record the flow of cash in and out of the District during the period and the balances remaining at year end for future periods. The modified accrual basis of accounting is utilized for reporting purposes. This method of accounting measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services that it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's services.

The District maintains three separate governmental funds; the General Fund, Capital Projects Fund, and Debt Service Fund. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Debt Service Fund.

The relationship (or differences) between governmental activities (reported in the district wide statement of net position and the district wide statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

As required by *N.J.S.A. 40A:14:72.1*, the District adopts an annual budget which is voted on by the legal voters of the district on the third Saturday in February. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district wide and governmental funds financial statements. The notes to the financial statements are an integral part of the financial statements.

**DISTRICT WIDE FINANCIAL ANALYSIS**

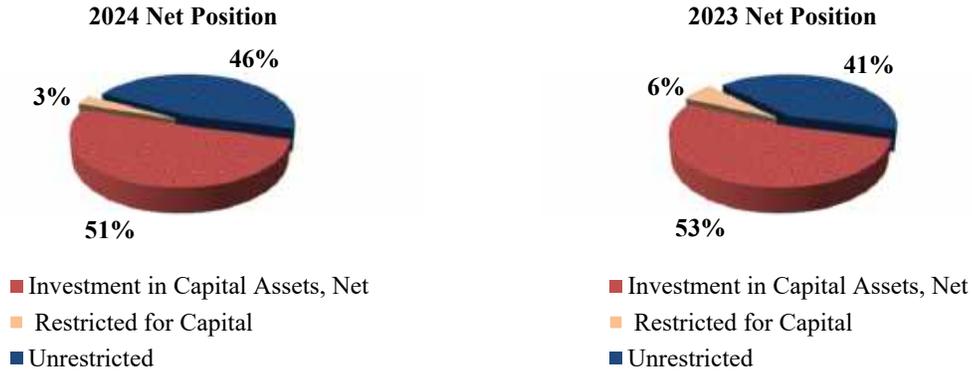
The District's net position is a useful indicator of the District's financial condition. At the end of 2024, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$364,400. The largest portion of The District's net position is its investment in capital assets. The District uses these assets to provide fire-fighting services to the community; consequently, these assets are not available for future spending. The District's investment in capital assets is reported net of related debt incurred for their acquisition, construction, or improvement. Since the capital assets are not available to liquidate the outstanding obligations, other sources must be utilized for the repayment of those obligations.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON  
DISTRICT WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Current and non-current assets and deferred outflows of resources	\$ 6,654,459	\$ 6,184,013	\$ 470,446	7.61%
Capital assets, net	<u>2,595,314</u>	<u>2,775,312</u>	<u>(179,998)</u>	(6.49%)
Total assets and deferred outflows of resources	6,661,120	6,579,101	82,019	1.25%
Total current and non-current liabilities and deferred inflows of resources	<u>(6,296,730)</u>	<u>(5,797,944)</u>	498,786	8.60%
Net position	<u>\$ 364,390</u>	<u>\$ 781,157</u>	<u>\$ (416,767)</u>	(53.35%)

**Analysis of net position**

Investment in capital assets, net	\$ 2,358,864	\$ 2,424,610	(65,746)	(2.71%)
Restricted for:				
Capital projects	137,365	262,518	(125,153)	(47.67%)
Unrestricted	<u>(2,131,839)</u>	<u>(1,905,971)</u>	<u>(225,868)</u>	11.85%
Total net position	<u>\$ 364,390</u>	<u>\$ 781,157</u>	<u>\$ (416,767)</u>	(53.35%)



The net position of the District decreased approximately \$416,800 as a result of a current year deficit. In 2024, the capital assets decreased by approximately \$180,000 after depreciation expense.

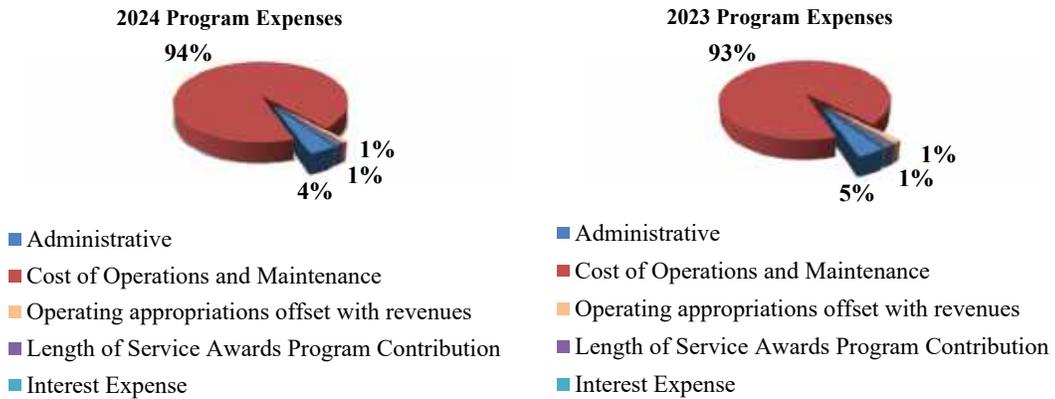
**DISTRICT WIDE FINANCIAL ANALYSIS (continued)**

**Governmental Activities**

The district wide statement of activities shows the cost of the governmental activities program services. A summary of these activities follows:

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON  
DISTRICT WIDE STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Expenses:				
Program expenses:				
Administrative expenses	\$ 127,851	\$ 122,850	\$ 5,001	4.07%
Cost of operations and maintenance	2,826,031	2,580,671	245,360	9.51%
Operating appropriations offset with revenues	25,243	38,474	(13,231)	(34.39%)
Length of service awards program contribution	33,310	35,190	(1,880)	(5.34%)
Interest expense	8,067	10,635	(2,568)	(24.15%)
Total program expenses	<u>3,020,502</u>	<u>2,787,820</u>	<u>232,682</u>	8.35%



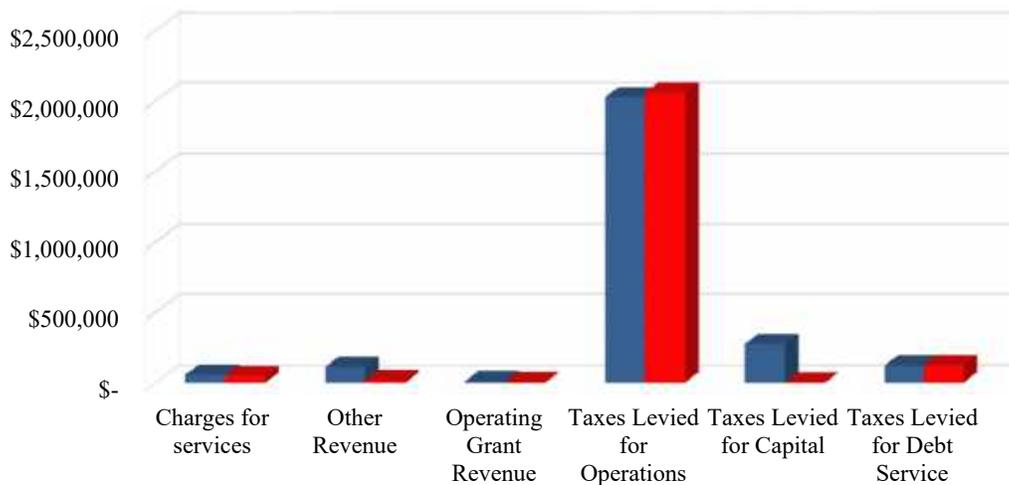
The cost of operations and maintenance comprised 94% and 93% of the District’s total expenses in 2024 and 2023, respectively. Administration expenses comprised 4% of the total expenses in 2024 and 2023, respectively.

**DISTRICT WIDE FINANCIAL ANALYSIS (continued)**

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON  
DISTRICT WIDE STATEMENT OF ACTIVITIES (continued)  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Program revenues:				
Charges for services	56,846	47,829	9,017	18.85%
Total program revenues	<u>56,846</u>	<u>47,829</u>	<u>9,017</u>	<u>18.85%</u>
Net program expenses	2,963,656	2,739,991	223,665	8.16%
General revenues:				
Property taxes levied for:				
General purposes	2,026,205	2,056,942	(30,737)	(1.49%)
Capital purchases	275,000	-	275,000	100.00%
Total property taxes levied	<u>2,423,524</u>	<u>2,179,261</u>	<u>244,263</u>	<u>11.21%</u>
Other revenue	112,023	18,396	93,627	508.95%
Operating grant revenue	11,342	4,342	7,000	161.22%
Total general revenues	<u>2,546,889</u>	<u>2,201,999</u>	<u>344,890</u>	<u>15.66%</u>
Increase in net position	(416,767)	(537,992)	121,225	(22.53%)
Net position, January 1	<u>781,157</u>	<u>1,509,030</u>	<u>(727,873)</u>	<u>(48.23%)</u>
Prior period adjustment	-	(189,881)	189,881	(100.00%)
Net position, January 1, restated	<u>781,157</u>	<u>1,319,149</u>	<u>(537,992)</u>	<u>(40.78%)</u>
Net position, December 31	<u>\$ 364,390</u>	<u>\$ 781,157</u>	<u>\$ (416,767)</u>	<u>(53.35%)</u>

**General Revenues**



Property tax revenue constituted 93% and 97% of the total governmental activities revenues received by the District in 2024 and 2023, respectively.

## **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The District uses fund accounting to document compliance with finance-related legal requirements.

### **Governmental Funds**

The primary objective of the District's governmental funds is to report on cash flows in and out during the period and the ending balances of the spendable resources. This information is useful to evaluate the performance of the District and to assess its future needs and available resources.

As of December 31, 2024, the combined balance of the governmental funds cash balances of the District was approximately \$739,500. This balance is approximately \$329,900 higher than last year's combined governmental funds cash balances.

The combined fund balance of the governmental funds of the District was approximately \$1,019,200. Of that total, funds of approximately \$137,400 have been restricted for capital, \$729,800 have been restricted for investment in length of service awards program, \$300,000 have been assigned for subsequent year's expenditures and \$(147,900) is unassigned

The general fund is the main operating fund of the District. At the end of 2024, the total fund balance of the general fund was approximately \$581,900. Of this balance, the entire balance was unassigned.

At the end of 2024, the general fund balance of the District decreased by approximately \$186,500. The primary reason for this decreased are as follows:

- The Board recognized expenses in excess of revenues of approximately \$186,500.

At the end of 2024, the capital projects fund of the District increased by approximately \$174,800. The primary reason for this increased are as follows:

- The Board recognized revenues in excess of expenses of approximately \$174,800.

### **Budgetary Highlights**

The 2024 budget anticipated a deficit in revenues and did not required the utilization of unrestricted surplus accumulated from prior years. Any unused surplus becomes available for future budget periods as undesignated surplus in the General Fund.

- The District recognized budgeted revenues in excess of actual revenues of approximately \$139,900 in 2024.
- Overall, the District's expenditures were approximately \$77,100 less than originally anticipated in the operating budget for 2024.

## CAPITAL ASSETS, NET

As of December 31, 2024, the District had invested in capital assets for government activities of approximately \$2,595,300 (net of accumulated depreciation). Capital assets consist of buildings and improvements, firematic and other equipment, and vehicles and apparatus.

### FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON CAPITAL ASSETS, NET NET OF ACCUMULATED DEPRECIATION DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>	<u>\$ Increase (Decrease)</u>
Capital assets being depreciated:			
Buildings and improvements	\$ 3,475,186	\$ 3,475,186	\$ -
Equipment	1,496,232	1,391,810	104,422
Vehicles and apparatus	3,325,817	3,545,817	(220,000)
Total capital assets being depreciated	<u>8,297,235</u>	<u>8,412,813</u>	<u>(115,578)</u>
Less: accumulated depreciation	<u>(5,701,921)</u>	<u>(5,637,501)</u>	<u>(64,420)</u>
Total capital assets, net	<u>\$ 2,595,314</u>	<u>\$ 2,775,312</u>	<u>\$ (179,998)</u>

Additional information on the District's capital assets can be found in Note 7 in the notes to the financial statements.

## DEBT ADMINISTRATION

As of December 31, 2024, the District had obligations under finance purchases for governmental activities of approximately \$347,900 of which approximately \$116,900 is due within one year.

Additional information on the District's debt obligations can be found in Note 8 in the notes to the financial

## ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District voted to approve the budget at the February election. The 2025 adopted budget reflects an increase in the tax levy of \$411,800, in which the Board anticipates an increase to the fire tax rate.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fire District No. 4 of the Township of Jackson's finances for all of those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Cheryl Parker, Fire District No. 4 of the Township of Jackson, 465A North County Line Road, Jackson, New Jersey, 08527.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**District Wide Statement of Net Position**  
**December 31, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash (Note 3)	\$ 739,509
Accounts receivable (Note 4)	8,373
Prepaid assets	<u>39,473</u>
Total current assets	<u>787,355</u>
Non-current assets:	
Investment in length of service awards program:	
at fair value (Note 5)	567,575
at contract value (Note 6)	<u>122,223</u>
Total non-current assets	<u>689,798</u>
Capital assets, net:	
Depreciable (Note 7)	<u>2,595,314</u>
Total capital assets, net	<u>2,595,314</u>
Total assets	<u>4,072,467</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions (Note 9)	642,197
Deferred outflows of resources related to other post employment benefits (Note 10)	<u>1,946,456</u>
Total deferred outflows of resources	<u>2,588,653</u>
Total assets and deferred outflows of resources	<u><u>\$ 6,661,120</u></u>

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**District Wide Statement of Net Position (continued)**  
**December 31, 2024**

<b>LIABILITIES</b>	<b>Governmental Activities</b>
Current liabilities:	
Accounts payable	\$ 97,000
Accrued expenses	321,434
Current portion of finance purchases payable (Note 8)	<u>116,881</u>
Total current liabilities	<u>535,315</u>
Non-current liabilities:	
Compensated absences (Note 8)	230,988
Finance purchases payable, net of current portion (Note 8)	119,569
Net pension liability (Note 9)	1,932,875
Net other postemployment benefits liability (Note 10)	1,884,369
Investment in length of service awards program payable (Note 11)	<u>729,798</u>
Total non-current liabilities	<u>4,897,599</u>
Total liabilities	<u>5,432,914</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions (Note 9)	230,893
Deferred inflows of resources related to other post employment benefits (Note 10)	<u>632,923</u>
Total deferred inflows of resources	<u>863,816</u>
Total liabilities and deferred inflows of resources	<u>6,296,730</u>
<b>NET POSITION</b>	
Investment in capital assets, net	2,358,864
Restricted net position:	
Capital	137,365
Unrestricted (Note 16)	<u>(2,131,839)</u>
Total net position	<u>364,390</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 6,661,120</u></u>

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**District Wide Statement of Activities**  
**For the year ended December 31, 2024**

	<b>Operating Appropriations</b>	<b>Charges for Services</b>	<b>Total Governmental Activities</b>
Governmental activities:			
Operating appropriations:			
Administration	\$ 127,851	\$ -	\$ 127,851
Costs of operations and maintenance	2,826,031	-	2,826,031
Operating appropriations offset with revenues	25,243	(56,846)	(31,603)
Length of service awards program contribution	33,310	-	33,310
Interest expense	8,067	-	8,067
Total operating appropriations	\$ 3,020,502	\$ (56,846)	2,963,656
General revenues:			
Miscellaneous revenues			112,023
Operating grant revenues			11,342
Amount raised by taxation			2,423,524
Total general revenues			2,546,889
Change in net position			(416,767)
Net position, January 1			781,157
Net position, December 31			\$ 364,390

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2024**

ASSETS	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Current assets:				
Cash	\$ 739,509	\$ -	\$ -	\$ 739,509
Intergovernmental accounts receivable:				
Local	8,373	-	-	8,373
Other receivables (interfund)	-	437,365	-	437,365
Total current assets	<u>747,882</u>	<u>437,365</u>	<u>-</u>	<u>1,185,247</u>
Non-current assets:				
Investment in length of service awards program:				
at fair value (Note 5)	567,575	-	-	567,575
at contract value (Note 6)	122,223	-	-	122,223
Total investment in length of service awards program	<u>689,798</u>	<u>-</u>	<u>-</u>	<u>689,798</u>
Total non-current assets	<u>689,798</u>	<u>-</u>	<u>-</u>	<u>689,798</u>
Total assets	<u>\$ 1,437,680</u>	<u>\$ 437,365</u>	<u>\$ -</u>	<u>\$ 1,875,045</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 97,000	\$ -	\$ -	\$ 97,000
Accrued expenses	321,434	-	-	321,434
Other payables (interfund)	437,365	-	-	437,365
Total liabilities	<u>855,799</u>	<u>-</u>	<u>-</u>	<u>855,799</u>
Fund balance:				
Restricted for:				
Capital	-	137,365	-	137,365
Length of service awards program	729,798	-	-	729,798
Assigned for:				
Subsequent year's expenditures	-	300,000	-	300,000
Unassigned, reported in:				
General fund (Note 17)	(147,917)	-	-	(147,917)
Total fund balance	<u>581,881</u>	<u>437,365</u>	<u>-</u>	<u>1,019,246</u>
Total liabilities and fund balance	<u>\$ 1,437,680</u>	<u>\$ 437,365</u>	<u>\$ -</u>	

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

Prepaid assets are reported as expenditures in the governmental fund financial statements, but in the district wide statement of net position, they are reported as assets and amortized over time as the benefits are consumed.	39,473
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements.	2,595,314
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future reporting periods and, therefore, are not reported in the governmental fund financial statements.	1,724,837
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund financial statements.	<u>(5,014,480)</u>
Total net position - Governmental Activities	<u>\$ 364,390</u>

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the year ended December 31, 2024**

	General Fund	Capital Projects Fund	Debt Service Fund	Totals Governmental Funds
Revenues:				
Miscellaneous revenues:				
Interest on investments and deposits	\$ 1,729	\$ -	\$ -	\$ 1,729
Appreciation in the value length of service awards program	107,321	-	-	107,321
Other revenues	110,294	-	-	110,294
Total miscellaneous revenues	219,344	-	-	219,344
Operating grant revenues:				
VFA Grant	7,000	-	-	7,000
Supplemental Fire Service Act	4,342	-	-	4,342
Total operating grant revenue	11,342	-	-	11,342
Miscellaneous revenues offset with appropriations:				
Uniform Fire Safety Act	56,846	-	-	56,846
Total Uniform Fire Safety Act	56,846	-	-	56,846
Total miscellaneous revenues offset with appropriations	56,846	-	-	56,846
Amount to be raised by taxation to support the budget	2,026,205	275,000	122,319	2,423,524
Total revenues	2,313,737	275,000	122,319	2,711,056
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	20,625	-	-	20,625
Other expenditures:				
Election expense	5,798	-	-	5,798
Office expense	16,900	-	-	16,900
Professional fees	84,528	-	-	84,528
Total administration	127,851	-	-	127,851
Cost of operations and maintenance:				
Salaries and wages	877,694	-	-	877,694
Fringe benefits	747,847	-	-	747,847
Other expenditures:				
Advertising	1,026	-	-	1,026
Emergency first aid equipment	900	-	-	900
Fire prevention	5,055	-	-	5,055
Fire service agreement	25,000	-	-	25,000
Gear	46,752	-	-	46,752
Hydrant rental	68,880	-	-	68,880
Insurance	105,841	-	-	105,841
Maintenance and repairs	188,886	-	-	188,886
Miscellaneous firefighter expense	45,772	-	-	45,772
Other non-bondable assets	763	-	-	763
Replacement equipment	13,012	-	-	13,012
SCBA	4,989	-	-	4,989
Supplies	41,336	-	-	41,336
Technology	9,134	-	-	9,134
Training and education	35,256	-	-	35,256
Utilities	49,758	-	-	49,758
Total cost of operations and maintenance	2,267,901	-	-	2,267,901

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)**  
**For the year ended December 31, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Totals Governmental Funds</u>
Appropriations offset with revenues:				
Salaries and wages	15,000	-	-	15,000
Other expenses	10,243	-	-	10,243
Total appropriations offset with revenues	<u>25,243</u>	<u>-</u>	<u>-</u>	<u>25,243</u>
Length of service awards program:				
Administrative Fees	1,288	-	-	1,288
Participant withdrawals	77,915	-	-	77,915
Total length of service awards program	<u>79,203</u>	<u>-</u>	<u>-</u>	<u>79,203</u>
Capital appropriations:				
Air packs	-	100,153	-	100,153
Total capital appropriations	<u>-</u>	<u>100,153</u>	<u>-</u>	<u>100,153</u>
Debt service for capital appropriations:				
Principal payment on debt service	-	-	114,253	114,253
Interest payment on debt service	-	-	8,066	8,066
Total debt service for capital appropriations	<u>-</u>	<u>-</u>	<u>122,319</u>	<u>122,319</u>
Total operating appropriations	<u>2,500,198</u>	<u>100,153</u>	<u>122,319</u>	<u>2,722,670</u>
Excess (deficiency) of revenues over (under) operating appropriations	<u>(186,461)</u>	<u>174,847</u>	<u>-</u>	<u>(11,614)</u>
Fund balance, January 1	<u>768,342</u>	<u>262,518</u>	<u>-</u>	<u>1,030,860</u>
Fund balance, December 31	<u>\$ 581,881</u>	<u>\$ 437,365</u>	<u>\$ -</u>	<u>\$ 1,019,246</u>

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the District Wide Statement of Activities**  
**December 31, 2024**

Total net changes in Fund Balance - Governmental Funds (Exhibit B-2) \$ (11,614)

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

Prepaid assets are reported as expenditures in the governmental fund financial statements, but in the district wide statement of net position, they are reported as assets and amortized over time as the benefits are consumed.

	Prior year	(31,182)	
	Current year	39,473	8,291

Certain activity related to the length of service awards program is reported in the governmental fund financial statements; however, this activity is reflected as part of the length of service awards program liability, in the district wide statement of net position.

	Length of service awards program contribution	(33,310)	
	Appreciation in the value length of service awards program	(107,321)	
	Administrative fees	1,288	
	Participant withdrawals	77,915	(61,428)

Certain activity related to the acquisition, construction, and/or improvement of capital assets is reported in the governmental fund financial statements as expenditures. However, in the district wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

	Capital Outlay - General Fund	4,269	
	Capital Outlay - Capital Projects Fund	100,153	
	Depreciation expense	(280,020)	
	Gain on asset retirement	(4,400)	(179,998)

In the district-wide statement of activities, certain operating expenses, such as compensated absences (e.g., sick leave), are measured by the amounts earned during the year. In the governmental fund financial statements, however, expenditures for these items are recognized to the extent that they are paid with available financial resources—that is, the amounts actually paid during the year.

	Prior year	161,292	
	Current year	(230,988)	(69,696)

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balance to the District Wide Statement of Activities (continued)**  
**December 31, 2024**

Repayment of debt service principal is reported as an expenditure in the governmental fund financial statements. However, in the district wide statement of net position, the repayment reduces long-term liabilities and is not reported as an expense in the district wide statement of activities.

114,252

District contributions to pension plans are reported as expenditures in the governmental fund financial statements when made. However, these contributions are reported as deferred outflows of resources in the district-wide statement of net position because the net pension liability is measured as of a date one year prior to the District's reporting date. Pension expense (or benefit), which represents the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the district wide statement of activities.

Pension benefit (or expense) 4,170

4,170

District contributions to other postemployment benefit plans are reported as expenditures in the governmental fund financial statements when made. However, these contributions are reported as deferred outflows of resources in the district wide statement of net position because the net other postemployment benefit liability is measured as of a date one year prior to the District's reporting date. Other postemployment benefit expense (or benefit), which represents the change in the net other postemployment benefit liability adjusted for changes in deferred outflows and inflows of resources related to other postemployment benefit, is reported in the district wide statement of activities.

Other postemployment benefit (or expense) (220,744)

(220,744)

Change in total net position - Governmental Activities

\$ (416,767)

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements**

**NOTE 1: GENERAL INFORMATION**

**Description of Reporting Entity**

Fire District No. 4 of the Township of Jackson (hereafter referred to as the District), is a political subdivision of Jackson Township, County of Ocean, State of New Jersey (the State). A board of five commissioners (the Board) oversees all of the operations of the District. The length of each commissioner’s term is three years with the annual election held on the third Saturday of February.

The District is governed by the *N.J.S.A. 40A: 14-70* et al. and is a taxing authority charged with the responsibility of providing the resources necessary to provide firefighting 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 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the District hold 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 financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District.

According to the criteria described above, there were no additional entities required to be included in the reporting entity, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**District Officials**

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

<u>Officials:</u>	<u>Term Expires</u> <u>March</u>
Alfred Couceiro	2024
Philip Goldman	2024
Wallace Jamison	2026
Shane O’Brien	2025
Raymond Torres, Jr.	2026

**Accounting Records**

The official accounting records of the District are maintained in the office of the District.

**Minutes**

Minutes were recorded for meetings and contained approvals for disbursements.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 1: GENERAL INFORMATION (continued)**

**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 and GASB Statement No. 80, Blending Requirements for Certain Component Units*. As of and for the year ended December 31, 2024, there are no additional entities required to be included in the reporting entity's financial statements.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the 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*. 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 include 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: *Fire District Taxes*) 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.

**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 three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types." As of December 31, 2024, the District only had activities in the governmental fund category.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

**Governmental Funds:**

*General Fund*

The General Fund is the general operating fund of the District and is used to account for the inflows and outflows of financial resources. The acquisition of certain capital assets, such as firefighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as firehouses and 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.

**District Wide and Fund Financial Statements**

*District Wide Financial Statements*

The district wide financial statements (Exhibit A-1 and Exhibit A-2) include the district wide statement of net position and the district wide 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 district wide statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees. The district wide 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.

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.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**District Wide and Fund Financial Statements (continued)**

*Fund Financial Statements (continued)*

However, the fiduciary funds are not included in the district wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements provide details of the governmental funds.

**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.

**Budgets and Budgetary Accounting**

The District must adopt an annual budget in accordance with State of New Jersey Admin Code § 5:31-2.4.

The Board must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the Board 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 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 Board may, by majority vote, adopt the budget. Amendments may be made to the District budget in accordance with *N.J.S.A 40A: 14-78.3*. The budget may be amended subsequent to its final adoption and approval for additional items of revenue with offsetting appropriations in accordance with *N.J.S.A 40A: 14-78.5*. Subsequent to the adoption of the District budget, the amount of money to be raised by taxation in support of the District budget must appear on the ballot for the annual election for approval of the legal voters.

The District has 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 District’s general-purpose financial statements.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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. As of December 31, 2024, the district did not recognize encumbrances.

**Cash and cash equivalents**

Cash and cash equivalents includes petty cash, change funds and cash in banks. The District is 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 organized under the laws of the United States or of the State 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 the District. *N.J.S.A. 17:9-42* requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which 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.

**Investments**

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board determines the valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See note 5: *Investment Held at Fair Value* and note 6: *Investment Held at Contract Value*, respectively.

**Accounts Receivable**

Accounts receivable represents amounts due from fees associated with the District's fire prevention bureau and intergovernmental grants and revenues. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible. Allowances are reported when accounts are proven to be uncollectible. All receivables are current and therefore due within one year, thus no allowance was recorded by the District (see Note 4: *Accounts Receivables*).

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Prepaid Assets**

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

**Capital Assets, Net**

Capital assets, which include, buildings and improvements, firematic and other equipment and vehicles and apparatus are reported in the district 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 no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

<u>Description:</u>	<u>Useful Lives:</u>
Building and improvements	10 – 25 Years
Firematic and other equipment	5 – 15 Years
Vehicles and apparatus	5 – 25 Years

**Debt Limitation**

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

**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.

**Other Receivables and Payables**

Other receivables and payables are 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.

**Compensated Absences**

Compensated absences represent leave time earned by employees that is expected to be paid out upon separation or use in future periods. In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for compensated absences when earned, rather than when paid. The liability for compensated absences is reported in the governmental activities on the district wide financial statements. The entire liability is classified as non-current, as the portion expected to be paid within one year is not considered material in relation to total fund liabilities and, therefore, is not presented separately from the long-term portion.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows and Inflows of Resources**

In addition to assets, the district wide 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 district wide 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 period and so will not be recognized as an inflow of resources (revenue) until that time.

**Pension and Other Postemployment Benefits Liabilities**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires participating employers, including the District, in the State of New Jersey Police and Firemen's Retirement System (PFRS) plan to recognize their proportionate share of the collective total pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 9: *Pension Obligations* for more information about the plan.

GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* requires participating employers in the New Jersey State Health Benefit Local Government Retired Employees (OPEB Plan) plan to recognize their proportionate share of the collective total OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 10: *Other postemployment Benefits Other Than Pension* for more information about the plan.

**Revenues and Expenditures – Governmental Funds**

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

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

**Fire District Taxes**

Upon proper certification to the assessor of the municipality in which the District is located, the assessor shall assess the amount of taxes to be realized in support of the District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality shall then pay over to the treasurer or custodian of funds of the District the taxes assessed in accordance with the following schedule: on or before April 1, and 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.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Equity**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District 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 Board of Commissioners.
- Unassigned – includes balance within the General Fund which has not been classified within the aforementioned 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.

**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:

- Investment in Capital Assets, Net – Represent capital assets, net of accumulated depreciation, and reduced by any related outstanding debt incurred for their 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.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP 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. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Impact of Recently Issued Accounting Pronouncements**

*Accounting Pronouncements Adopted in Current Year*

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

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement 62.*
- Statement No. 101, *Compensated Absences.*

Management has determined that the implementation of these statements did not have a significant impact on the District’s financial statements.

*Accounting Pronouncements Effective in Future Reporting Periods*

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 102, *Certain Risk Disclosures.* The requirements of this statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets.* The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not yet determined the potential impact on the District's financial statements.

**Subsequent Events**

The District has evaluated subsequent events occurring after December 31, 2024 through the date of December 18, 2025, which is the date the financial statements were available to be issued.

**NOTE 3: CASH**

The District is governed by the deposit and investment limitations of New Jersey state law. The deposits held at December 31, 2024, and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
Deposits:	
Demand deposits	\$ 739,409
Petty cash	100
Total deposits	\$ 739,509
Reconciliation to the Governmental Funds:	
Current assets:	
Cash	\$ 739,509
Total	\$ 739,509

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 3: CASH (continued)**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, the District’s bank balance of \$770,527 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District’s name under GUDPA	520,527
Total	\$ 770,527

**NOTE 4: ACCOUNTS RECEIVABLE**

As of December 31, 2024, accounts receivable consisted of the following:

Bureau of Fire Protection – local fees	\$ 8,373
Total	\$ 8,373

**NOTE 5: INVESTMENTS HELD AT FAIR VALUE**

**Custodial Credit Risk**

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

**Investment Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 5: INVESTMENTS HELD AT FAIR VALUE (continued)**

**Fair Value Measurement**

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

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

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

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

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values.

Subsequent to initial recognition, the District may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

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

*Registered Investment Companies* – Investments in registered investment companies consist of shares of mutual funds that are valued at quoted market prices which represent the NAV of shares held by the Plan at year-end.

*Money Market Fund* – Valued at the quoted NAV of shares held by the LOSAP Plan at year-end.

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

The following table sets forth by level, within the value hierarchy, the District's investments at fair value at December 31, 2024:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<i>Registered investment companies</i>	\$ 538,588	\$ -	\$ -	\$ 538,588
<i>Money Market Funds</i>	28,987	-	-	28,987
Total investments at fair value	<u>\$ 567,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,575</u>

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 6: INVESTMENTS HELD AT CONTRACT VALUE**

The District held a fully benefit-responsive investment contract with Lincoln Financial (Lincoln) totaling \$122,223 as of December 31, 2024. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the District is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP plan. The District's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP plan. For this reason, such contracts are referred to as "evergreen" contracts and do not define a maturity date. No events are probable of occurring might limit the ability of the LOSAP plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value (see Note 2: *Investments*).

**NOTE 7: CAPITAL ASSETS, NET**

The District's capital assets, including, buildings and improvements, firematic and other equipment, and vehicles and apparatus and are reported in accordance with New Jersey Statutes Annotated (N.J.S.A.) 40A:14-84 through 40A:14-87. Pursuant to *N.J.S.A. 40A:14-84*, related capital purchases, including fire apparatus and equipment, require voter approval unless funded through available budget appropriations. In accordance with *N.J.S.A. 40A:14-85*, fire districts may finance capital acquisitions through bond issuance, lease-purchase agreements, or other long-term obligations, subject to voter approval or governing body resolution. Pursuant to *N.J.S.A. 40A:14-87*, proceeds from the sale of capital assets must be restricted for future capital acquisitions unless otherwise authorized. The District reviews capital assets annually for impairment, disposal, or transfer, with significant changes reflected in the financial statements. Capital assets for governmental activities for the year ended December 31, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 3,475,186	\$ -	\$ -	\$ 3,475,186
Firematic and other equipment	1,391,810	104,422	-	1,496,232
Vehicles and apparatus	3,545,817	-	(220,000)	3,325,817
Total capital assets being depreciated	<u>8,412,813</u>	<u>104,422</u>	<u>(220,000)</u>	<u>8,297,235</u>
Less: accumulated depreciation:				
Buildings and improvements	(2,552,074)	(72,504)	-	(2,624,578)
Firematic and other equipment	(1,077,966)	(71,113)	-	(1,149,079)
Vehicles and apparatus	(2,007,461)	(136,403)	215,600	(1,928,264)
Total accumulated depreciation	<u>(5,637,501)</u>	<u>(280,020)</u>	<u>215,600</u>	<u>(5,701,921)</u>
Total capital assets, net	<u>\$ 2,775,312</u>	<u>\$ (175,598)</u>	<u>\$ (4,400)</u>	<u>\$ 2,595,314</u>

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 8: LONG-TERM OBLIGATIONS (NON-CURRENT LIABILITIES)**

During the fiscal year ended December 31, 2024, the following changes occurred in liabilities reported in long-obligations (non-current liabilities):

	<b>Beginning Balance</b>	<b>Accrued/ increases</b>	<b>(Retired)/ (decreases)</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Governmental activities:					
Compensated absences	\$ 161,292	\$ 69,696	\$ -	\$ 230,988	\$ -
Finance purchases payable	350,702	-	(114,252)	236,450	116,881
Net pension liability	1,872,863	60,012	-	1,932,875	-
Net other postemployment benefits liability	1,316,074	568,295	-	1,884,369	-
Investment in length of service awards program payable	668,370	140,631	(79,203)	729,798	-
	<u>\$ 4,369,301</u>	<u>\$ 838,634</u>	<u>\$ (193,455)</u>	<u>\$ 5,014,480</u>	<u>\$ 116,881</u>

**Compensated Absences**

The District previously followed GASB Statement No. 16, *Accounting for Compensated Absences*, which was originally adopted in 1995. As of December 31, 2024, the District has implemented the provisions of GASB Statement 101, *Compensated Absences*. Under this standard, a liability is recognized for compensated absences when the leave is earned by employees and is attributable to services already rendered, regardless of whether the leave vests or accumulates. This includes all leave expected to be used and compensated in the future. The liability is measured using current pay rates in effect as of the financial statement date, or the pay rates expected to be applied at the time of leave usage, if applicable. Additionally, the liability includes salary-related payments directly associated with the leave, such as the employer's share of Social Security and Medicare contributions. As of December 31, 2024, the District recognized \$230,988 of non-current obligations reported in the governmental activities, district wide financial statements.

**Finance Purchases Payable**

On October 24, 2021., the District, entered into a finance purchase agreement for \$574,737 to acquire fire apparatus. The agreement required annual payments over the term of five years and carries an interest rate of 2.291%. The following schedule presents the future minimum finance payments under this finance purchase arrangement, as of December 31:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 116,881	\$ 5,438	\$ 122,319
2026	119,569	2,750	122,318
Total	<u>\$ 236,450</u>	<u>\$ 8,188</u>	<u>\$ 244,637</u>

**Net Pension Liability**

For details on the net pension liability, see Note 9: *Pension Obligations*. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

**Other Post-employment Benefits Liability**

For details on the other postemployment benefits liability, see Note 10: *Postemployment Benefits Other Than Pensions*. The District's contribution into the postemployment benefits plan is budgeted and paid on an annual basis.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 8: LONG-TERM OBLIGATIONS (NON-CURRENT LIABILITIES) (continued)**

**Length of Service Awards Program**

For details on the length of service awards program liability, refer to Note 11: *Length of Service Awards Program*. The District's annual required contribution to the length of service awards program is budgeted and paid from the general fund on an annual basis.

**NOTE 9: PENSION OBLIGATIONS**

**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 annual financial statements which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

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

**Plan Description**

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.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 9: PENSION OBLIGATIONS (continued)**

**Police and Firemen’s Retirement System (PFRS) (continued)**

**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 less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the District’s contractually required contributions to PFRS plan was \$258,907.

**Components of Net Pension Liability**

At December 31, 2024 the District’s proportionate share of the PFRS net pension liability was \$1,932,875. 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, 2023. The District’s proportion measured as of June 30, 2024, was .01872%, which was an increase of .00177% from its proportion measured as of June 30, 2023.

	<b>Balance December 31,</b>	
	<b>2024</b>	<b>2023</b>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 642,197	\$ 684,610
Deferred Inflows of Resources	230,893	337,488
Net Pension Liability	1,932,875	1,872,863
District’s portion of the plan's total Net Pension Liability	0.01872%	0.01695%

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 9: PENSION OBLIGATIONS (continued)**

**Police and Firemen’s Retirement System (PFRS) (continued)**

**Pension Expense/Credit and Deferred Outflows/Inflows of Resources**

At December 31, 2024, the District’s proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2024 measurement date was \$254,775. At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 121,770	\$ 66,171
Changes of assumptions	3,056	56,765
Net difference between projected and actual earnings on pension plan investments	-	15,128
Changes in proportion and differences between the District’s contributions and proportion share of contributions	517,371	92,829
	\$ 642,197	\$ 230,893

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:

<b>Year Ending December 31,</b>	<b>Amount</b>
2024	\$ (8,716)
2025	192,785
2026	57,832
2027	72,335
2028	96,096
Thereafter	972
Total	\$ 411,304

**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 nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability 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 \$381,062 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, 2024, to the measurement date of June 30, 2024.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 9: PENSION OBLIGATIONS (continued)**

**Police and Firemen’s Retirement System (PFRS) (continued)**

**Special Funding Situation (continued)**

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 0.01872%, which was an increase of 0.00177%, 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 proportional share of net pension liability	\$ 1,932,875
State of New Jersey’s proportionate share of net pension liability associated with the District	381,062
	\$ 2,313,937

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 \$43,838.

**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:	
	All Future Years
	3.25% - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-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.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 9: PENSION OBLIGATIONS (continued)**

**Police and Firemen’s Retirement System (PFRS) (continued)**

**Long-Term Expected Rate of Return (continued)**

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 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	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%

**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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**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. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 9: PENSION OBLIGATIONS (continued)**

**Police and Firemen’s Retirement System (PFRS) (continued)**

**Sensitivity of the District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate (continued)**

	<b>1 % Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District’s proportionate share of the Net Pension Liability	\$ 2,761,648	\$ 1,932,875	\$ 1,242,688
State’s proportionate share of the Net Pension Liability Associated with the District	544,453	381,062	244,994
	<u>\$ 3,306,101</u>	<u>\$ 2,313,937</u>	<u>\$ 1,487,682</u>

**Related Party Investments**

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

**NOTE 10: OTHER POSTEMPLOYMENT 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 financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

**General Information about the OPEB Plan (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 expense (benefit). 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.

**Net OPEB Liability**

The components of the collective net OPEB liability of the plan as of June 30, 2024 is as follows:

Total OPEB liability	\$ 17,748,257,548
Plan fiduciary net position	<u>(157,187,957)</u>
Net OPEB liability	<u>\$ 17,905,445,505</u>

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Net OPEB Liability (continued)**

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 Employee's Retirement System (PERS)	
Rate for all future years	2.75% to 6.55%
PFRS:	
Rate of all future years	3.25% to 16.25%

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

*Pre-retirement Healthy Mortality*

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification Headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021. Pre-retirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Post-retirement Healthy Mortality*

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Post-retirement Healthy Mortality (continued)*

Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Disabled Retiree Mortality*

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Net OPEB Liability (continued)**

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.

**OPEB Obligation and OPEB (Benefit) Expense**

The District's proportionate share of the total Other Postemployment Benefits Obligations was \$1,884,369. 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 State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the District was 0.01052%, which was an increase of 0.00175% from its proportion measured as of June 30, 2023. For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$269,394 for the State's proportionate share of the OPEB (benefit) expense attributable to the District. This OPEB (benefit) expense was based on the OPEB plans June 30, 2024 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% decreasing to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 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 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. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate (continued)**

	<u>1 % Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State's proportionate share of the Net OPEB Liability associated with the District	\$ 1,593,792	\$ 1,884,369	\$ 2,257,970
State's Total Nonemployer OPEB Liability	\$ 15,144,352,142	\$ 17,095,445,505	\$ 21,455,435,620

**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:

	<u>1 % Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
State's proportionate share of the Net OPEB Liability associated with the District	\$ 2,195,087	\$ 1,884,369	\$ 1,635,512
State's Total Nonemployer OPEB Liability	\$ 20,857,914,273	\$ 17,905,445,505	\$ 15,540,780,410

**Additional Information**

The following is a summary of the deferred outflows of resources, deferred inflows of resources, and net OPEB liability balances as of June 30, 2024:

**Additional Information (continued)**

	<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>
	June 30, 2024	June 30, 2023
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,946,456	\$ 1,695,614
Deferred Inflows of Resources	632,923	729,632
Net OPEB Liability	1,884,369	1,316,074
District's portion of the plan's total Net OPEB Liability	0.01052%	0.00877%

**OPEB Deferred Outflows/Inflows of Resources**

At December 31, 2024, the District's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2024 measurement date is \$1,946,456 and \$632,923, respectively. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 95,430	\$ 319,277
Changes of assumptions	315,031	312,793
Net difference between projected and actual earnings on pension plan investments	-	853
Changes in proportion	1,535,995	-
	\$ 1,946,456	\$ 632,923

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

<b>Year Ending December 31,</b>	<b>Amount</b>
2024	\$ 101,141
2025	168,502
2026	210,677
2027	172,771
2028	189,703
Thereafter	470,739
Total	\$ 1,313,533

**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, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2024, the Program membership consisted of the following:

Active plan members	60,691
Retirees currently receiving benefits	28,899
Total plan members	89,590

**Changes in the Total OPEB Liability**

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

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Changes in the Total OPEB Liability (continued)**

Service cost	\$	545,086,159
Interest on Total OPEB Liability		558,448,470
Changes in benefit terms		107,670,542
Differences in expected and actual experience		408,491,660
Changes in assumptions		1,735,990,164
Contributions from the employer		(399,436,504)
Contributions from non-employer contributing entities		(62,827,411)
Net investment income		(1,636,336)
Administrative expenses		11,119,284
Net changes		(2,898,906,028)
 Total OPEB Liability (Beginning)		 15,006,539,477
 Total OPEB Liability (Ending)		 \$ 17,905,445,505

**NOTE 11: LENGTH OF SERVICE AWARDS PROGRAM**

The District’s length of service awards program (LOSAP), which is reported in the District’s general fund, was created by a resolution pursuant to Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the District approved the adoption of the LOSAP at the general election held on February 19, 2005, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2006. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel. The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents the Township of Howell come from contributions made solely by the governing body of the District, on behalf of those volunteers who meet the criteria of a LOSAP plan created by that governing body. Participants should refer to the LOSAP Plan agreement for a more complete description of the LOSAP Plan’s provisions.

**Contributions**

If an active member meets the year of active service requirement, a LOSAP Plan must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per initial plan year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (*N.J.S.A. 40A:14-185(f)*). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The District elected to contribute \$2,015 for the year ended December 31, 2024, per eligible volunteer, into the LOSAP Plan. During the year ended December 31, 2024, the District contributed a total of \$33,310 to the LOSAP Plan. Participants direct the investment of the contributions into various investment options offered by the LOSAP Plan. The District has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the LOSAP Plan. The types of investment options, and the administering of such investments, rests solely with the LOSAP Plan administrator.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 11: LENGTH OF SERVICE AWARDS PROGRAM (continued)**

**Participant Accounts**

Each participant's account is credited with the District's contribution and LOSAP Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The District has placed the amounts deferred, including earnings, in a trust maintained by Lincoln (Plan Administrator), as an approved LOSAP provide a third-party administrator for the exclusive benefit of the LOSAP Plan participants and their beneficiaries. Such funds, although subject to the claims of the District's creditors until distributed as benefit payments, are not available for funding the operations of the District. The funds may also be used to pay the administrative fees charged by the LOSAP Plan Administrator. The District's practical involvement in administering the LOSAP Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the LOSAP Plan Administrator.

**Vesting**

Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits**

Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the Plan Administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2024, \$77,915 were made to vested participants.

**Forfeited Accounts**

There were no forfeitures during the year ended December 31, 2024.

**Investments**

The investments of LOSAP reported on the statement of fiduciary net position are recorded at fair value and contract value as described in Note 2: *Investments*.

**Plan Information**

Additional information about the District's LOSAP can be obtained by contacting the LOSAP Plan Administrator.

**NOTE 12: FUNDING**

The activities of the District are primarily funded by the striking of the fire tax on the property owners of the District, as provided for by the state statute. For the year ended December 31, 2024, the fire tax rate on the District was approximately \$.100 per \$100 of assessed valuation. The tax revenue is supplemented by income earned on surplus funds invested in a money market fund and investments during the year. The District also participates in the Supplemental Fire Services Program and received a Supplemental Fire Services Act Grant of \$4,342.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 13: OTHER RECEIVABLES AND PAYABLES**

Other receivables and payables are interfunds whose purpose is for short-term borrowing. As of December 31, 2024, the following interfund balances remained on the balance sheet:

Fund	Interfund receivable	Interfund payable
General	\$ -	\$ 437,365
Capital projects	437,365	-
Total	\$ 437,365	\$ 437,365

Other receivables and payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental columns of the district wide statement of net position.

**NOTE 14: CONCENTRATIONS**

A significant source of revenue for the District comes from its ability to levy property taxes (see note 2: *Fire District Taxes* for detail on property taxes). The ability to levy property taxes, and the limits to which property taxes can be levied, are promulgated by State statute. As a result of this dependency, the District’s operations are significantly reliant and impacted by State laws and regulations regarding property taxes.

**NOTE 15: FUND BALANCE**

**Restricted**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the District’s fund balance are summarized as follows:

*General Fund*

**Length of Service Awards Program (LOSAP)** - Pursuant to *N.J.S.A. 40A:14-187*, all accumulated proceeds shall remain restricted for the volunteer members. As a result, there exists at December 31, 2024 a restricted fund balance in the amount of \$729,798 for future benefit payments of volunteers

*Capital Projects Fund*

**Capital Projects (Future Capital Outlays)** – These funds are restricted for future capital expenditures to be made in future years. When the District desires to utilize these funds in their annual budget, a capital resolution must be passed by the Board of Fire Commissioners prior to any expenditure against a capital appropriation. As of December 31, 2024, the balance is \$137,365.

**Assigned**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the District’s fund balance are summarized as follows:

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Financial Statements (continued)**

**NOTE 15: FUND BALANCE (continued)**

*Capital Projects Fund*

**For Subsequent Year's Expenditures** – The District has appropriated for the year ending December 31, 2024, \$300,000 of capital projects fund balance a December 31, 2024.

**Unassigned**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The District's unassigned fund balance is summarized in Note 17: *Deficit in Unassigned Fund Balance*

**NOTE 16: DEFICIT UNRESTRICTED NET POSITION**

At December 31, 2024, the District had a deficit net position of \$2,131,839. The deficit results primarily from the recognition of long-term liabilities in accordance with GASB requirements, including the net pension liability, net OPEB (other postemployment benefits) liability, finance purchases, and compensated absences, which are not funded on a current-year budgetary basis. These items are required to be reported in the district wide financial statements, which are prepared on the accrual basis of accounting.

The District continues to meet its current operating and debt service obligations through the annual property tax levy and other budgeted revenues. The deficit net position does not indicate a lack of ability to meet current financial commitments but reflects the statutory and accounting differences between the District's budgetary practices (which focus on current financial resources) and the full accrual reporting required under GAAP and GASB.

**NOTE 17: DEFICIT IN UNASSIGNED FUND BALANCE**

At December 31, 2024, the District reported an unassigned fund balance deficit of \$147,917 in the General Fund. The deficit is primarily the result of expenditures or commitments that exceeded the District's available current financial resources at year-end, including (1) the appropriation of fund balance in the adopted budget in excess of actual resources available, (2) timing differences between the recognition of revenues and expenditures, and (3) unanticipated operating costs.

New Jersey fire districts are required to prepare their budgets on a statutory basis, which differs from GAAP. As a result, certain revenues may not be recognized in the governmental fund statements until they are both measurable and available, causing temporary deficits in unassigned fund balance.

District management is monitoring operating trends and will evaluate future budgets to restore the unassigned fund balance to a positive level through future budgets.

**JACKSON BOARD OF FIRE COMMISSIONERS NO. 4**  
**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 revenues:				
Interest on investments and deposits	\$ 1,000	\$ 1,000	\$ 1,729	\$ 729
Other revenues	-	-	110,294	110,294
Total miscellaneous revenues	<u>1,000</u>	<u>1,000</u>	<u>112,023</u>	<u>111,023</u>
Operating grant revenues:				
VFA	-	-	7,000	7,000
Supplemental Fire Service Act	4,342	4,342	4,342	-
Total operating grant revenue	<u>4,342</u>	<u>4,342</u>	<u>11,342</u>	<u>7,000</u>
Miscellaneous revenues offset with appropriations:				
Uniform Fire Safety Act	35,000	35,000	56,846	21,846
Total Uniform Fire Safety Act	<u>35,000</u>	<u>35,000</u>	<u>56,846</u>	<u>21,846</u>
Total miscellaneous revenues offset with appropriations	<u>35,000</u>	<u>35,000</u>	<u>56,846</u>	<u>21,846</u>
Amount to be raised by taxation to support budget	<u>2,423,524</u>	<u>2,423,524</u>	<u>2,423,524</u>	<u>-</u>
Total anticipated revenues	<u>2,463,866</u>	<u>2,463,866</u>	<u>2,603,735</u>	<u>139,869</u>
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	22,500	20,825	20,625	200
Other expenditures:				
Bond agent	1,500	-	-	-
Continuing education	6,000	6,000	-	6,000
Election expense	8,000	5,800	5,798	2
Office expense	13,462	16,062	16,900	(838)
Outside services	3,000	3,000	-	3,000
Professional fees	70,000	84,530	84,528	2
Total administration	<u>124,462</u>	<u>136,217</u>	<u>127,851</u>	<u>8,366</u>
Cost of operations and maintenance:				
Salaries and wages	818,425	827,225	877,694	(50,469)
Fringe benefits	652,360	685,535	747,847	(62,312)
Other expenditures:				
Advertising	2,000	1,072	1,026	46
Contingent expenses	2,000	-	-	-
Emergency first aid equipment	5,000	1,000	900	100
Fire prevention	5,000	5,055	5,055	-
Fire service agreement	50,000	25,000	25,000	-
Gear	40,000	46,760	46,752	8
Hydrant rental	80,000	68,900	68,880	20
Insurance	80,000	97,600	105,841	(8,241)
Joint district expenses	2,000	2,000	-	2,000
Maintenance and repairs	120,000	151,700	188,886	(37,186)
Miscellaneous firefighter expense	20,000	32,000	45,772	(13,772)
Other non-bondable assets	50,000	10,770	763	10,007
Replacement equipment	40,000	13,013	13,012	1
SCBA	15,000	5,000	4,989	11
Supplies	35,000	41,400	41,336	64
Technology	10,000	9,140	9,134	6
Training and education	25,000	29,260	35,256	(5,996)
Utilities	65,000	49,800	49,758	42
Total cost of operations and maintenance	<u>2,116,785</u>	<u>2,102,230</u>	<u>2,267,901</u>	<u>(165,671)</u>

**JACKSON BOARD OF FIRE COMMISSIONERS NO. 4**  
**Budgetary Comparison Schedule (continued)**  
**For the year ended December 31, 2024**

Appropriations offset with revenues:				
Salaries and wages	25,000	25,000	15,000	10,000
Fringe benefits	2,000	2,000	-	2,000
Other expenses	8,300	11,100	10,243	857
Total appropriations offset with revenues	35,300	38,100	25,243	12,857
Length of service awards program contribution	40,000	40,000	33,310	6,690
Capital appropriations:				
Air packs	115,000	115,000	100,153	14,847
Reserve for future capital outlay	200,000	200,000	-	200,000
Total capital appropriations	315,000	315,000	100,153	214,847
Debt service for capital appropriations:				
Principal payment on debt service	114,253	114,253	114,253	-
Interest payment on debt service	8,066	8,066	8,066	-
Total debt service for capital appropriations	122,319	122,319	122,319	-
Total operating appropriations	2,753,866	2,753,866	2,676,777	77,089
Excess (deficiency) of revenues over (under) operating appropriations	(290,000)	(290,000)	(73,042)	(216,958)
Fund balance, January 1	362,490	362,490	362,490	-
Fund balance, December 31	\$ 72,490	\$ 72,490	289,448	\$ (216,958)

**RECAPITULATION OF FUND BALANCE:**

Fund balance:				
Restricted:				
Capital			137,365	
Assigned:				
Subsequent year's expenditures			300,000	
Unassigned			(147,917)	
Total fund balance - Budgetary Basis			289,448	
Reconciliation to the Governmental Funds:				
Length of service awards program not recognized on the budgetary basis			729,798.00	
Total fund balance - Governmental Funds			\$ 1,019,246	

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Required Supplementary Information**  
**Budgetary Basis to the Governmental Funds Financial Statements Reconciliation**  
**For the year ended December 31, 2024**

	<u><b>Total Governmental Funds</b></u>
Sources / inflows of resources:	
Actual amounts (budgetary basis) revenues from the budgetary comparison schedule (Schedule I)	\$ 2,603,735
Difference from budgetary basis to the Governmental Funds Financial Statements:	
<p>The budgetary basis differs in that the District does not budget for investment income related to the Length of Service Awards Program (LOSAP). GASB Statement No. 73 requires that investment appreciation in the LOSAP be reported in the financial statements using the current financial resources measurement focus and the modified accrual basis of accounting as follows:</p>	
Appreciation in the value length of service awards program	<u>107,321</u>
Total revenues as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2)	<u><u>\$ 2,711,056</u></u>
Use / outflows of resources:	
Actual amounts (Budgetary Basis) operating appropriations from the Budgetary Comparison Schedule (Schedule I)	\$ 2,676,777
Difference from budgetary basis to the Governmental Funds Financial Statements:	
<p>The budgetary basis differs in that the District is required to budget for contributions to the Length of Service Awards Program (LOSAP). However, GASB Statement No. 73 requires that expenditures paid in accordance with the LOSAP be reported using the current financial resources measurement focus and the modified accrual basis of accounting as follows:</p>	
Length of service awards program contribution	(33,310)
Administrative fees	1,288
Participant withdrawals	<u>77,915</u>
Total operating appropriations as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2)	<u><u>\$ 2,722,670</u></u>

SCHEDULE III

JACKSON BOARD OF FIRE COMMISSIONERS NO. 4  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Police and Firemen Retirement System  
 Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of the net pension liability	0.01872%	0.01695%	0.01810%	0.01508%	0.01313%	0.01165%	0.01191%	0.01091%	0.00890%	0.00744%
District's proportionate share of the net pension liability	\$ 1,932,875	\$ 1,872,863	\$ 2,071,472	\$ 1,102,195	\$ 1,697,130	\$ 1,425,174	\$ 1,611,940	\$ 1,683,883	\$ 1,699,839	\$ 1,239,980
State's Proportionate Share of the Net Pension Liability associated with the District	381,062	345,097	368,661	309,992	263,387	225,038	218,955	188,609	142,744	108,742
Total	\$ 2,313,937	\$ 2,217,960	\$ 2,440,133	\$ 1,412,187	\$ 1,960,517	\$ 1,650,212	\$ 1,830,895	\$ 1,872,492	\$ 1,842,583	\$ 1,348,722
District's covered-employee payroll	\$ 676,222	\$ 626,515	\$ 559,931	\$ 543,622	\$ 527,778	\$ 461,223	\$ 411,310	\$ 387,964	\$ 339,462	\$ 335,854
District's proportionate share of the net pension liability as a percentage (%) of its covered employee payroll	285.83%	276.96%	330.63%	196.84%	312.19%	270.03%	349.49%	409.40%	438.14%	365.28%
Plan's fiduciary net position as a percentage (%) of the total net pension liability	72.66%	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%

JACKSON BOARD OF FIRE COMMISSIONERS NO. 4  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Police and Firemen Retirement System  
 Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's contractually required contribution	\$ 258,907	\$ 225,650	\$ 235,364	\$ 175,748	\$ 146,733	\$ 117,634	\$ 116,461	\$ 96,532	\$ 72,553	\$ 60,512
District's contribution in relation to the contractually required contribution	(258,907)	(225,650)	(235,364)	(175,748)	(146,733)	(117,634)	(116,461)	(96,532)	(72,553)	(60,512)
District's contractually required contribution in excess (deficiency) to the District's contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 638,668	\$ 676,222	\$ 626,515	\$ 559,931	\$ 543,622	\$ 527,778	\$ 461,223	\$ 411,310	\$ 387,964	\$ 339,462
District's contractually required contribution as a percentage (%) of it's covered employee payroll	40.54%	33.37%	37.57%	31.39%	26.99%	22.29%	25.25%	23.47%	18.70%	17.83%

SCHEDULE V

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Schedule of the District's Proportionate Share of the Net Other Post-employment Benefits Liability**  
**Local Government Retired Employees Plan**  
**Last Three Fiscal Years \***

	Measurement Date Ended June 30,		
	2024	2023	2022
District's proportionate share of the net other post-employment benefits liability	0.01052%	0.00877%	0.00753%
District's proportionate share of the net other post-employment benefits liability	\$ 1,884,369	\$ 1,316,074	\$ 1,215,903
District's covered-employee payroll	\$ 638,668	\$ 676,222	\$ 626,515
District's proportionate share of the net other post-employment benefits liability as a percentage (%) of it's covered employee payroll	295.05%	194.62%	194.07%
Plan's fiduciary net position (deficit) as a percentage (%) of the total net other post-employment benefits liability	(0.89%)	(0.79%)	(0.36%)

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
**Notes to the Required Supplementary Information**

**Police and Firemen’s Retirement System (PFRS)**

***Changes of Benefit Terms***

None noted.

***Changes of Assumptions***

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.85%
2023	7.00%	2018	6.51%
2022	7.00%	2017	6.14 %
2021	7.00%	2016	5.55%
2020	7.00%	2015	5.79%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	7.00%
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

**Other Post-Employment Benefits (OPEB)**

***Changes in Benefits***

The change in benefit terms from June 30, 2023, to June 30, 2024 was a result of employers adopting and or changing Chapter 48 provisions.

***Differences Between Expected and Actual Experiences***

The differences between expected and actual experiences from June 30, 2023 to June 30, 2024 was a result of an update in census information, and premiums and claims experience.

***Changes of Assumptions***

The increase in changes in assumptions from June 30, 2023 to June 30, 2024 is a result of a change in the discount rate, trend update, and an experience study update.

The discount rate used as of June 30, measurement date for the last eight fiscal years is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2019	3.50%
2023	3.65%	2018	3.87%
2022	3.54%	2017	3.58%
2021	2.16%	2016	2.85%
2020	2.21%		

**FIRE DISTRICT NO. 4 OF THE TOWNSHIP OF JACKSON**  
 Supplementary Schedule of Finance Purchases Payable – Governmental Activities  
 December 31, 2024

Description	Date of Financing	Term of Financing	Amount of Original Financing		Annual Maturities	Interest Rate Payable	Balance December 31, 2023	Issued	Retired	Balance December 31, 2024
			Principal	Interest						
Pumper	April 20, 2021	Five (5) Years	\$ 572,024	\$ 39,571	December 31, 2025	7,000%	\$ 350,702	\$ -	\$ -	\$ 236,450
					December 31, 2026	7,000%				
						Total	\$ 350,702	\$ -	\$ (114,252)	\$ 236,450

To the Board of Fire Commissioners of  
Fire District No. 4 of the Township of Jackson  
County of Ocean  
Jackson Township, New Jersey

We have audited the basic financial statements of Fire District No. 4 of the Township of Jackson, County of Ocean, State of New Jersey for the year ended December 31, 2024. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

### GENERAL COMMENTS AND RECCOMEDATIONS

#### **Contracts and Agreements Required to be Advertised by *N.J.S.A.40A:11-4***

*N.J.S.A.40A:11-4* – Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in aggregate of \$44,000, except by contract or agreement.

It is pointed out that the Board of Fire Commissioners has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Review of the minutes and financial transactions did not identify any bids requested by public advertising.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The results of our examination did not disclose any discrepancies.

#### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,600 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a

resolution had been previously adopted under the provision of *N.J.S.A.40A:11-6.1*. The supporting documentation indicated that quotes were requested for all items that required them.

The supporting documentation indicated that quotes were requested for all items that required them.

### **Examination of Cash Receipts**

A test check of cash receipts was made.

### **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate individual contract unless the records disclosed it to be partial payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

### **Payroll Examination**

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of Fire District No. 4 of the Township of Jackson's employees, and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

### **Capital Assets**

The capital asset subledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

### **Budget Adoption**

The State of New Jersey requires that the Fire District No. 4 of the Township of Jackson's operating and capital budgets be approved and adopted for each fiscal year. Fire District No. 4 of the Township of Jackson approved its operating budget on December 14, 2023, and adopted its operating budget on January 18, 2024.

### **Current Year's Findings**

There are no current year's findings.

### **Follow-Up of Prior Year's Findings**

In accordance with *Government Auditing Standards* and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of all prior year's findings. There were no prior year's findings.

## **Acknowledgment**

We received the complete cooperation of all the staff of Fire District No. 4 of the Township of Jackson and we greatly appreciate the courtesies extended to the members of the audit team. During our audit, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements made as a whole.

Should you have any questions, please call us.

Handwritten signature in black ink that reads "HOLMAN FRENIA ALLISON P.C." in all caps.

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

December 18, 2025  
Lakewood, New Jersey