

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

Prepared by:
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For the Firm of:
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ABERDEEN TOWNSHIP FIRE DISTRICT #1
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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Aberdeen Township Fire District No. 1
County of Monmouth
State of New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Township of Aberdeen Fire District No. 1 (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and auditing standards prescribed by the Division of Local Government Service, 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 GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The identify accompanying supplementary information such as the combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

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 the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the *District's* internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
December 18, 2025

SAMUEL KLEIN AND COMPANY, LLP

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS – STATUTORY BASIS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Fire Commissioners
Aberdeen Township Fire District No. 1
County of Monmouth
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, the financial statements and the related notes to the financial statements of the Aberdeen Township Fire District No. 1, County of Monmouth, State of New Jersey (the "District") as of and for the year ended December 31, 2024, which comprise the District's basic financial statements and have issued our report thereon dated December 18, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures, that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS – STATUTORY BASIS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic 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 basic 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 several instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* in the General Comments and Recommendations section of the audit that are immaterial matters are noted.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information of the District and its management, and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
December 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Aberdeen Township Fire District #1's (District) annual financial report, the management of the District provides narrative discussion and analysis of the financial activities of the District for the audit year ending December 31, 2024.

The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and notes following this section.

Discussion of Financial Statements Included in Annual Audit

The District prepares and presents its financial statements on several different bases, because of accounting requirements and for internal use purposes.

The first set of statements which consist of the Statement of Net Position, the Statement of Activities and Change in Net Position is prepared on an accrual basis and is in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. These statements are the official financial statements of the Aberdeen Township Fire District #1.

After the first set of statements and the "Notes to the Financial Statements" that follow is the second set of statements. These statements are considered "Supplemental Information".

The District has historically presented its financial statements on a "GAAP Basis", and continues to do so because it relates more fairly to the annual budget for the same period. The annual budget records all encumbrances as charges against the adopted appropriation even if the items or services have not been received.

Contained in the supplemental information are statements that report the Statement of Net Position, Statement of Revenues, Expenditures and Change in Net Position and Statement of Expenditures Compared to Budget. These statements compare the "Budget" revenues and expenses to "Actual" revenues and expenses. They include operating revenues and expenses, nonoperating revenues and nonoperating expenses. Principal and Interest are reported in this statement as Debt Service expense, and depreciation is not reported as an expense. On the "GAAP" based and "Modified GAAP" based, Depreciation Expense is included, and only the Interest Expense component of the Debt Service expense is reported.

The Budget to Actual statement is a very important statement to the District management, because it is how we measure our financial performance, particularly as it compares to the approved and adopted annual budget and how it relates to the operational performance.

Other information or statements incorporated within the annual audit report are the Schedules of Cash and Cash Equivalents and Investments – Restricted and Unrestricted.

For the purpose of the Management Discussion and Analysis, the ensuing discussion will review the official statements of the District, those prepared on an accrual basis and in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. This is the first set of statements included in the annual audit report.

Aberdeen Township Fire District #1

Comparative Statement of Net Position

The Aberdeen Township Fire District #1's Total Assets \$1,735,177 and Deferred Outflow of Resources \$351,120 less Total Liabilities of \$1,274,510 and Deferred Inflow of Resources \$328,994 resulting in Net Position of \$482,793.

The Aberdeen Township Fire District #1's Net Position of \$482,793 is comprised of the following:

1. Invested in Capital Assets is \$879,959.
2. Unrestricted Unreserved Net Position is a deficit of \$525,088 which is the result of the required accrual of the net PERS and OPEB liability.
3. Restricted Net Position of \$127,922 is for future capital outlay.

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
Current Assets:		
Unrestricted	\$ 727,296	\$ 676,213
Restricted	127,922	72,922
Capital Assets - Net	<u>879,959</u>	<u>977,776</u>
 Total Assets	 <u>\$ 1,735,177</u>	 <u>\$ 1,726,911</u>
 Deferred Outflow of Resources	 <u>\$ 351,120</u>	 <u>\$ 342,881</u>
 Total Current Liabilities Payable from Current Assets:		
Unrestricted	<u>\$ 107,982</u>	<u>\$ 101,920</u>
 Total Long-Term Liabilities Payable from Long-Term Assets:		
Pension Obligation	\$ 412,888	\$ 447,776
OPEB Obligation	<u>753,640</u>	<u>658,037</u>
	<u>1,166,528</u>	<u>1,105,813</u>
 Total Liabilities	 <u>\$ 1,274,510</u>	 <u>\$ 1,207,733</u>
 Deferred Inflow of Resources	 <u>\$ 328,994</u>	 <u>\$ 393,936</u>
 Net Position		
Restricted:		
Net Investment in Capital Assets	\$ 879,959	\$ 977,776
Restricted Capital	127,922	72,922
Unrestricted -		
Unreserved (Deficit)	<u>(525,088)</u>	<u>(582,575)</u>
 Net Position	 <u>\$ 482,793</u>	 <u>\$ 468,123</u>

Comparative Statement of Revenues, Expenses and Change in Net Position

Total Operating Revenues increased \$32,755 OR 3.89% from the prior year.

Operating Expenses, exclusive of depreciation, decreased \$157,833 or 26.20% from the prior year.

Total Operating Revenues less Total Operating Expenses produced a gain of \$14,670.

Net Position as of December 31, 2024 increased \$14,669 from \$468,123 to \$482,793.

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Total Operating Revenues	\$ <u>872,755</u>	\$ <u>840,000</u>
Operating Expenses	\$ 760,268	\$ 602,435
Depreciation	<u>97,817</u>	<u>116,037</u>
Total Operating Expenses	\$ <u>858,085</u>	\$ <u>718,472</u>
Operating Income	14,670	121,528
Net Position, Beginning	<u>468,123</u>	<u>346,595</u>
Net Position, Ending	\$ <u><u>482,793</u></u>	\$ <u><u>468,123</u></u>

Core Competencies

The Aberdeen Township Fire District #1 governs an all-volunteer fire company serving mainly the western portion of Aberdeen Township in the County of Monmouth and also some of the surrounding townships and boros. The Board of Fire Commissioners is made up of 5 members who are charged with serving the community by raising money through the budget process and expanding those funds for the protection of the township's residents.

The Fire District supports 1 firehouse and 5 pieces of fire apparatus, the last of which was purchased in 2018. Other expenses are incurred in maintaining the volunteers with the best equipment to fight fires and maintaining the fire apparatus in top shape to provide a maximum amount of safety to the volunteers and residents.

The District's budget is voted on at the Annual Fire District Election which is by statute on the third Saturday of February. The budget process begins in October with preparing the details and is finalized and introduced in November and a public hearing is held in December. If the voters defeat the budget, then the Mayor and Township Committee have the right to set the budget. The budget is prepared on a calendar year basis.

The District has a contract with the fire company for use of their building. The Fire Company has approximately thirty-six (36) volunteer members. The District also participates on a mutual aid consortium for assistance to and from neighboring municipalities.

The main revenue of the District is property taxes which are subject to the annual fire district election. The other sources of revenue are surplus and miscellaneous revenue which accrues to the fund balance of the District.

The majority of the budget relates to salary, insurance, fire fighter protective equipment and uniforms, and repair and maintenance of fire trucks.

Accountability

The Aberdeen Township Fire District #1's mission statement is:

The Mission Statement:

Our mission for the Aberdeen Township Fire District #1 is to provide the ultimate in fire protection services. Always responsive to the residents' needs and the growing community, in compliance with the applicable laws, rules and regulations, the District will continue to set and exceed the standards for the protection of the property, while operating the most efficient system and maintaining a cost effective budget.

As the mission reads, this is who and what the District is accountable to. The District's accountability, first and foremost, is to protect the property. The goal is to provide a cost effective and reliable service, and at the same time to protect the property. This means the District is accountable to the residents, the agencies and people served using the same principles: cost effective, efficient, reliable and protective.

As a district, the District is also guided by or accountable to state government and the applicable rules and regulations that govern the Aberdeen Township Fire District #1. More specifically, the District is accountable to the Department of Community Affairs, Division of Local Government Services.

Management of the District

The Commissioners manage the daily operations of the District in conjunction with the Fire Official. The clerk of the District handles the bookkeeping operations.

Funding of Infrastructure and Debt Management

The District is required by statute to present its capital projects or capital assets acquisition to the voters of the District for approval. Once approved, the District can proceed to put the required financing in place; however, subject to the Local Finance Board's approval.

Auditors

The District Auditor is Gerard Stankiewicz, CPA of Samuel Klein and Company, LLP.

Audits can be obtained by contacting Aberdeen Township Fire District #1.

FINANCIAL STATEMENTS

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Balance December 31, <u>2024</u>
<u>ASSETS</u>	
Current Assets:	
Unrestricted:	
Cash and Cash Equivalents	\$ 454,837.56
Investments	269,130.24
Receivable	3,328.50
Restricted:	
Cash and Cash Equivalents	<u>127,921.63</u>
Total Current Assets	<u>855,217.93</u>
Noncurrent Assets:	
Capital Assets, Net	<u>879,958.73</u>
Total Assets	<u>\$ 1,735,176.66</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension	\$ 63,843.00
OPEB	<u>287,277.00</u>
	<u>\$ 351,120.00</u>
<u>LIABILITIES</u>	
Current Liabilities Payable from Current Assets:	
Accounts Payable	\$ 47,191.80
Commitments Payable	<u>60,790.27</u>
Total Current Liabilities Payable from Current Assets	<u>107,982.07</u>
Noncurrent Liabilities:	
Pension Obligation	\$ 412,888.00
OPEB Obligation	<u>753,640.00</u>
	<u>1,166,528.00</u>
Total Liabilities	<u>\$ 1,274,510.07</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension	\$ 17,829.00
OPEB	<u>311,165.00</u>
	<u>\$ 328,994.00</u>
<u>NET POSITION</u>	
Investment in Capital Assets	\$ 879,958.73
Restricted	127,921.63
Unrestricted (Deficit)	<u>(525,087.77)</u>
Net Position	<u>\$ 482,792.59</u>

See Accompanying Notes to Financial Statements

ABERDEEN TOWNSHIP FIRE DISTRICT NO. 1
COUNTY OF MONMOUTH
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net Revenue/ (Expenses) and Change in Net Position</u> Total Governmental Activities
Governmental Activities:			
Administration	\$ 239,130.33		\$ (239,130.33)
Cost of Operations and Maintenance	521,138.35	\$ 3,328.50	(517,809.85)
Depreciation	<u>97,816.85</u>		<u>(97,816.85)</u>
Total Primary Government	<u>\$ 858,085.53</u>	<u>\$ 3,328.50</u>	<u>\$ (854,757.03)</u>
General Revenues:			
Property Taxes, Levied for General Fund		\$ 729,454.00	
Property Taxes Levied for Capital Projects Fund		<u>55,000.00</u>	<u>784,454.00</u>
Other:			
Miscellaneous Income		\$ 66,461.57	
Interest Earned		<u>18,510.76</u>	<u>84,972.33</u>
Change in Net Position			\$ 14,669.30
Net Position - Beginning			<u>468,123.29</u>
Net Position - Ending			<u>\$ 482,792.59</u>

See Accompanying Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART I

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GOVERNMENTAL FUNDS
COMBINED STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Fund</u>			<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 458,166.06			\$ 458,166.06
Investments	269,130.24			269,130.24
Accounts Receivable		\$ 3,328.50		3,328.50
Restricted Cash and Cash Equivalents			\$ 127,921.63	127,921.63
Total Current Assets	<u>\$ 727,296.30</u>	<u>\$ 3,328.50</u>	<u>\$ 127,921.63</u>	<u>\$ 858,546.43</u>
Current Liabilities Payable from				
Unrestricted Assets:				
Cash Overdraft		\$ 3,328.50		\$ 3,328.50
Accounts Payable	\$ 5,844.80			5,844.80
Commitments Payable	60,790.27			60,790.27
Total Current Liabilities	<u>\$ 66,635.07</u>	<u>\$ 3,328.50</u>		<u>\$ 69,963.57</u>
Net Position:				
Restricted			\$ 127,921.63	\$ 127,921.63
Unrestricted	\$ 660,661.23			660,661.23
Net Position	<u>\$ 660,661.23</u>		<u>\$ 127,921.63</u>	<u>\$ 788,582.86</u>
Total Net Position				\$ 788,582.86

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The Cost of the Net Position is \$3,529,847.06 and the Accumulated Depreciation is \$2,649,888.33 (Note 4)	879,958.73
The District contributes to pension obligations. The pension obligation at yearend (Note 6)	(41,347.00)
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.	
Deferred Outflows of Resources (Notes 6 and 7)	\$ 351,120.00
Deferred Inflows of Resources (Notes 6 and 7)	<u>(328,994.00)</u>
	22,126.00
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at yearend consist of:	
Net Pension and OPEB Liability (Notes 6 and 7)	<u>(1,166,528.00)</u>
Net Position of Governmental Activities (A-1)	<u>\$ 482,792.59</u>

See Accompanying Notes to Financial Statements.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN NET POSITION
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>REVENUES</u>				
Other Revenue	\$ 66,461.57			\$ 66,461.57
Interest on Investments	18,510.76			18,510.76
Other Grants and Entitlements		\$ 3,328.50		3,328.50
Amount to be Raised by Taxation	<u>729,454.00</u>		<u>\$ 55,000.00</u>	<u>784,454.00</u>
Total Revenues	<u>\$ 814,426.33</u>	<u>\$ 3,328.50</u>	<u>\$ 55,000.00</u>	<u>\$ 872,754.83</u>
<u>EXPENDITURES</u>				
Operating	<u>\$ 769,366.47</u>	<u>\$ 3,328.50</u>		<u>\$ 772,694.97</u>
Total Expenditures	<u>\$ 769,366.47</u>	<u>\$ 3,328.50</u>	<u>-</u>	<u>\$ 772,694.97</u>
Net Income	\$ 45,059.86	-	\$ 55,000.00	\$ 100,059.86
Net Position, beginning	<u>615,601.37</u>	<u>-</u>	<u>72,921.63</u>	<u>688,523.00</u>
Net Position, ending	<u>\$ 660,661.23</u>	<u>-</u>	<u>\$ 127,921.63</u>	<u>\$ 788,582.86</u>

See Accompanying Notes to Financial Statements

ABERDEEN TOWNSHIP FIRE DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN NET POSITION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
AS OF DECEMBER 31, 2024

Total Net Change in Net Position - Governmental Funds (From B-2)	\$ 100,059.86
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(97,816.85)
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Pension OPEB (Expense) Benefit	<u>12,426.29</u>
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Change in Net Position of Governmental Activities (from A-2)	<u>\$ 14,669.30</u>
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See Accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. **REPORTING ENTITY**

This report includes the financial statements of the Aberdeen Township Fire District #1 (the "District"), within the County of Monmouth, in the State of New Jersey and reflects the activities for the District that are under the control of the Board of Fire Commissioners.

The District was established in accordance with the provisions of N.J.S.A. 40A:14-70.

The District is not a component unit of any other financial reporting entity nor does the District have any component units to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61.

The Aberdeen Township Fire District #1 is a political subdivision of the Township of Aberdeen Township, Monmouth County, New Jersey. The District's geographic area is described in Aberdeen Township Ordinance 14-2.1. The District functions independently through a Board of Fire Commissioners. The Board is comprised of five members elected to three-year terms. The annual Fire District election is held the third Saturday of February.

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

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

Based on the aforementioned criteria, the District has no component units.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements (i.e., the statement of net position and the statement of change in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to residents or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Basis of Accounting

The accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – The General Fund is the general operating fund of the District and is used to account for its 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.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources, such as state or federal government grants and appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as fire houses and fire fighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance that must be authorized by the voters as a separate question on 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 noncurrent liabilities.

Capital Assets – Property, plant and equipment purchased by the general fund and the capital projects fund are recorded as expenditures at the time of purchase. The historical cost, or if such cost is not practically determinable, the estimated historical cost, of such fixed assets is reflected in the Capital Assets account.

Noncurrent Obligations

Noncurrent debt is recognized as a liability of the Fire District when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other noncurrent obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts, and *N.J.S.A. 40A:14-85 to 87* governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000.00 or 2 percent of the assessed valuation of property, whichever is larger.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Fire District Taxes

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

Deferred Outflows/Inflows of Resources

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

Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Accounting for Pensions

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

Accounting and Financial Reporting for Other Post-Employment Benefits ("OPEB")

Statement No. 75 – The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service.

In addition, Statement No. 75 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net OPEB liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 75, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Other Post-Employment Benefits ("OPEB")
(Continued)

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to OPEB, contributions made after the measurement date of the beginning net OPEB liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

GASB Statement No. 84 Fiduciary Activities

The District implemented GASB Statement No. 84 Fiduciary Activities on January 1, 2020. The objective of this Statement is to improve reporting regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency and payroll net accounts to the General Fund.

Claims and Judgments

These events and obligations are recorded on the accrual basis, when the event occurs and the obligation arises.

Revenue Recognition

The District recognizes revenue on the accrual basis as earned. In the event of nonpayment are subject to municipal tax sale.

Contributions

Contributions received from various sources as grants are recorded in the period they become measurable. Donated assets are recorded at fair market value based on the cost estimates. They are recorded in the period in which the assets are donated to the District. All contributions and donations are presented separately after nonoperating revenues and expenses.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the stated net position. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the fall of each preceding year for the general, special revenue, and debt service funds. The budgets are submitted to the State, Department of Community Affairs, Division of Local Government Services, Bureau of District Regulation for approval and are voted upon by the registered voters of the District at the annual fire district election on the third Saturday in February. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts. Transfers of appropriations may be made by District resolution at any time during the last two months of the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accounting Standards (Continued)

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 104. Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2024 through December 18, 2025, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Cash

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, fire districts are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or,

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The amount on deposit of District's cash and cash equivalents at December 31, 2024 is as follows:

Payroll Account	\$	1,862.05
Checking Account		16,014.39
Money Market		566,188.99
	\$	584,065.43

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

The District has an investment in a Certificate of Deposit of \$257,900.59 purchased on October 11, 2024 maturing April 18, 2025 at 3.73%. Additionally, accruing \$11,229.65 through December 31, 2024 totaling \$269,130.24.

C. Risk Analysis

All bank deposits, as of the net position date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 4. CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2024, capital assets and the useful lives used for determination of annual depreciation were as follows:

	Balance December 31, 2023	Current Year's Activity		Balance December 31, 2023
		Increase	Decrease	
Depreciable:				
Buildings & Improvs.	\$ 878,621.42	\$ -		\$ 878,621.42
Machinery & Equip.	<u>2,651,225.64</u>	<u>-</u>		<u>2,651,225.64</u>
	\$ 3,529,847.06			\$ 3,529,847.06
Less: Accumulated Depreciation	<u>2,552,071.48</u>	<u>\$ 97,816.85</u>		<u>2,649,888.33</u>
	<u>\$ 977,775.58</u>	<u>\$ (97,816.85)</u>		<u>\$ 879,958.73</u>

Note 5. LENGTH OF SERVICE AWARDS PROGRAM

The District does not participate in the Length of Service Awards Program (LOSAP).

Note 6. PENSION PLAN

Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after twenty-five (25) years of service or under the disability provisions of PERS.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 6. PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 6. PENSION PLAN (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Employee contributions for 2024 were seven and 50/100th percent (7.50%) of the employee's base wages.

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 an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>				
	<u>Normal</u>	<u>Accrued</u>	<u>Net</u>	<u>Net</u>	<u>Employees</u>
			<u>NCGI</u>	<u>Cost</u>	
			<u>Premium</u>		
2024	\$ 7,165.00	\$ 32,411.00	\$ 1,772.00	\$ 41,348.00	\$ 18,878.20
2023	5,940.00	31,370.00	1,689.00	38,999.00	18,124.24
2022	4,280.00	29,438.00	1,629.00	35,347.00	17,322.29

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2024 and June 30, 2023 Independent Auditor's Report dated June 11, 2025 and May 24, 2024, respectively.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Funding Policy (Continued)

The District reported a liability of \$412,888 and \$447,776 for its proportionate share of the net pension liability at December 31, 2024 (*measurement date of June 30, 2024*) and December 31, 2023 (*measurement date of June 30, 2023*), respectively. The net pension liability was measured as of June 30, 2024 and June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative District to the projected contributions of all participating entities, actuarially determined.

	June 30, [Measurement Date]	
	2024	2023
Local Group Statewide Share	\$ 13,702,423,985	\$ 14,606,489,066
District Proportionate Percentage	0.0030386109 %	0.0030914446 %
Difference - Decrease	(0.0000528337) %	

For the year ended December 31, 2024, the District recognized pension benefit of \$31,622. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of of Resources	Deferred Inflows of of Resources
Changes in assumptions	\$ 513	\$ 2,560
Net difference between expected and actual experience	8,271	599
Net difference between projected and actual investment earnings on pension plan investment	-	10,434
Changes in proportion	13,712	4,236
District contributions subsequent to the measurement date	41,347	
Total	\$ 63,843	\$ 17,829

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Funding Policy (Continued)

The \$41,347 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the District year ending December 31, 2024, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the District year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share as follows:

<u>December 31,</u>	<u>Amount/(Benefit)</u>
2025	\$ (17,384)
2026	13,451
2027	(7,739)
2028	(4,471)
2029	116

Additional Information

Collective local (statewide) employees balances are as follows:

	<u>[Measurement Date]</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective pension expense/(benefit)	372,160,096	(79,181,803)
Collective net pension liability	13,702,423,985	14,606,489,066
District's proportion	0.0030386109 %	0.0030914446 %

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55% (based on years of service)
Investment Rate of Return	7.00%

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Market Equity	12.75	8.85
International Small Cap Equity	1.25	8.85
Emerging Market Equity	5.50	10.66
Private Equity	13.00	12.40
Real Estate	8.00	10.95
Real Assets	3.00	8.20
High Yield	4.50	6.74
Private Credit	8.00	8.90
Investment Grade Credit	7.00	5.37
Cash Equivalents	2.00	3.57
U.S. Treasuries	4.00	3.57
Risk Mitigation Strategies	<u>3.00</u>	7.10
	<u>100.00 %</u>	

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 actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension 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 pension 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:

	December 31, 2024		
	<i>(measurement date of June 30, 2024)</i>		
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 548,627	\$ 412,888	\$ 297,375

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L.2001 and Chapter 133, P.L.2001. The June 30, 2024, State special funding situation net position liability amount of \$114.4 million is the accumulated determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L.2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. PENSION PLAN (CONTINUED)

Special Funding Situation – PERS (Continued)

Under N.J.S.A.43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L.2001 and Chapter 133, PL.L.2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The District has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of</u> <u>Employees</u>	<u>Percent of</u> <u>Total State</u> <u>Liability</u>	<u>Employer's Pension Expense</u> <u>and Related Revenues</u>	
			<u>State Total</u>	<u>District Share</u>
2024	1	0.003052645 %	\$ 43,606,492	\$ 725
2023	1	0.003103182	45,000,471	1,396
2022	1	0.003104942	31,626,530	982

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.shtml.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 7. OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

Data for the PERS was abstracted from the State of New Jersey Local Governmental Retired Employee Plan as of June 30, 2024 and June 30, 2023 Independent Auditor’s Reports dated September 26, 2025 and August 21, 2024, respectively.

In addition to the pension benefits described in Note 6, the District provides post-retirement healthcare benefits for employees and their dependents who retire with 25 years or more of service, of which the last ten (10) years are with Aberdeen Township Fire District. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the District plan becomes the secondary insurer.

The District is a participant in the New Jersey State Health Benefit Program (“NJSHBP”) for active and retired employees. The NJSHBP provides medical, prescription drug, mental health/substance abuse and Medicaid Part B reimbursement to retirees and their spouses and dependents.

Plan Description – NJSHBP

The NJSHBP as of July 1, 2023 had statewide for the local employee groups of 60,691 active and 28,899 retired for a total of 89,590 members. The District at December 31, 2024 had three (3) active and one (1) retired employees for a total participation of four (4).

The NJSHBP aggregate other post-employment benefit (OPEB) cost (expense) is calculated based on the aggregate required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The OPEB obligation represents the total of cumulative difference between the OPEB cost since the effective date of GASB No. 45 and the employer’s contributions and other adjustments to the NJSHBP.

Funding Policy – The contribution requirements of plan members are established and may be amended by the state legislature. Participating local government units are contractually required to contribute at a rate assessed each year by the NJSHBP. The NJSHB Commission sets the employer contribution rate based on the annual required contribution of the employers (ARC) as established in an annual rate recommendation report.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 7. OTHER POST EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Plan Description – NJSHBP (Continued)

The NJSHBP issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and the actuarial valuation. Those reports may be obtained by writing to the State of New Jersey Department of Treasury, Division of Pension and Benefits, 50 West State Street, Trenton, NJ 08625-0299 or on the State of New Jersey website.

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, refer to the New Jersey Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report, 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.

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.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 OTHER POST EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Plan Description – NJSHBP (Continued)

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. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB 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.

The portion of the OPEB Liability that was associated with the District recognized is as follows:

<u>June 30 [Measurement Date]</u>	
<u>2024</u>	<u>2023</u>
\$ 753,640.00	\$ 658,037.00

The proportion of the PERS Net OPEB Liability associated with the District's liability is as follows:

<u>June 30 [Measurement Date]</u>	
<u>2024</u>	<u>2023</u>
0.004209 %	0.004385 %

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Total Nonemployer OPEB Liability

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

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Salary increases *:	
Public Employees' Retirement System (PERS)	2.75% to 6.55%*
*Based on Years of Service	
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PERS experience studies prepared July 1, 2018 to June 30, 2021, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine (9) years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine (9) years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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 Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following represents the total nonemployer OPEB liability as of June 30th calculated using the discount rate as disclosed above as well as what the total nonemployer 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>June 30, 2024 [Measurement Date]</u>		
<u>At 2.54%</u> <u>Decrease (2.65%)</u>	<u>At Discount</u> <u>Rate (3.65%)</u>	<u>At 1%</u> <u>Increase (4.65%)</u>
\$ 877,909	\$ 753,640	\$ 654,111

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30th calculated using the discount rate as disclosed above as well as what the total nonemployer 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:

<u>June 30, 2024 [Measurement Date]</u>		
<u>At 1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>At 1%</u> <u>Increase</u>
\$ 636,163	\$ 753,640	\$ 903,054

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 – June 30, 2021.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB benefit/expense of \$19,185 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2024 under GASB 75 prior to any reduction due to the Fiscal Year 2024 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net Difference between Expected and Actual		
Earnings on OPEB Plan Investments	\$ 38,167	\$ 127,693
Change in Proportion	123,116	58,031
Difference between Projected and		
Actual Experience	-	341
Changes in Assumptions	<u>125,994</u>	<u>125,100</u>
Total	<u>\$ 287,277</u>	<u>\$ 311,165</u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>December 31,</u>	<u>Amount</u>
2025	\$ (12,702)
2026	(5,468)
2027	(940)
2028	(5,010)
2029	(3,192)
2030	3,424

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TPAF financial report.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 OTHER POST EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Additional Information

Collective balances of the Local Retirement Group are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2024</u>	<u>2023</u>
Deferred outflows of resources	\$ 9,862,097,951	\$ 9,133,524,491
Deferred inflows of resources	11,975,956,585	14,817,220,551
Net OPEB liability	17,905,445,505	15,006,539,477
Total OPEB Expense / (Benefit)	(208,667,483)	(483,888,575)
District proportionate percentage	0.004209 %	0.004385 %

Shown below are details regarding the Total OPEB Liability for the measurement period:

	<u>[Measurement Date]</u>	
	<u>2024</u>	<u>2023</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30,	\$ 14,889,576,786	\$ 16,090,925,144
Changes Recognized for the Fiscal Year:		
Service Cost	545,086,159	\$ 597,135,801
Interest on the Total OPEB Liability	554,448,470	581,375,849
Changes of Assumptions	107,670,542	23,039,435
Difference between Expected and Actual Experience	408,491,660	(2,123,324,632)
Change in Benefit Terms	1,735,990,164	255,103,873
Gross Benefit Payments	(557,363,143)	(597,093,300)
Contributions from the Member	64,356,910	62,414,616
Net Changes	2,858,680,762	\$ (1,201,348,358)
Balance as of June 30	<u>\$ 17,748,257,548</u>	<u>\$ 14,889,576,786</u>

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Additional Information (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024. The component of the Net OPEB Liability is as follows:

	<i>Measurement Date</i>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Total OPEB Liability	\$ 17,748,257,548	\$ 14,889,576,786
Plan Fiduciary Net Position	<u>(157,187,959)</u>	<u>(116,952,691)</u>
Net OPEB Liability	<u>\$ 17,905,445,507</u>	<u>\$ 15,006,529,477</u>
Net Position		
as a Percentage of OPEB Liability	0.89%	0.79%
Special Funding Situation	4,833,833,875	3,461,898,890
Nonspecial Funding Situation	<u>12,914,423,673</u>	<u>11,427,677,896</u>
	<u>\$ 17,748,257,548</u>	<u>\$ 14,889,576,786</u>

Note 8. GENERAL NONCURRENT DEBT

The District has no debt outstanding nor authorized but not issued outstanding.

Note 9. FUND BALANCE

Basic Financial Statements:

- Of the General Fund Balance of \$660,661.23, all is unrestricted and unreserved.
- Of the Capital Projects Fund Balance of \$127,921.63 is Reserved for Future Capital Outlay.

ABERDEEN TOWNSHIP FIRE DISTRICT #1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. JOINT FIRE DISTRICT TRAINING GROUND FUND

The financial statements of the District do not include the operations of the Township of Aberdeen Joint Fire District Training Ground Fund.

This Training Ground Fund was created by the Aberdeen Township Fire Districts No. 1 and No. 2 to establish a Fire Training Ground Fund which accumulates funds for the construction and maintenance of fire training facilities. Each Fire District raises money in its annual budget for the fund. The records of the Joint Fire District Training Ground Fund are maintained by District No. 1. Aberdeen Fire District No. 1 has contributed \$5,000.00 per year for the years 2003-2024. The funds have not been audited.

Note 11. COMMITMENTS AND CONTINGENCIES

Litigation – The District's attorney representation has revealed no material contingent liability for the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

ABERDEEN TOWNSHIP FIRE DISTRICT #1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of Net Pension Liability (asset)</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2024	0.0030338610 %	\$ 412,888	\$ 251,176	164.38 %	72.65 %
2023	0.0030914446	447,776	241,656	185.29	65.23
2022	0.0030925864	466,714	236,430	197.41	92.91
2021	0.0030182316	357,555	229,609	203.89	70.33
2020	0.0028706991	468,136	222,870	210.05	58.32
2019	0.0027419401	494,056	207,740	237.83	56.27
2018	0.0025976280	511,460	191,737	266.76	48.40
2017	0.0025449237	592,418	182,416	324.76	48.10
2016	0.0018247704	540,445	184,011	293.70	40.14
2015	0.0015688614	352,178	172,024	204.73	47.93

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate as of June 30, 2023 and June 30, 2024 was 7.00%

ABERDEEN TOWNSHIP FIRE DISTRICT #1
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2024	\$ 41,318	\$ 41,318	None	\$ 251,176	16.45 %
2023	38,999	35,347	None	241,656	14.63
2022	35,347	35,347	None	236,430	14.95
2021	29,886	29,886	None	229,609	13.02
2020	26,780	26,780	None	222,870	12.02
2019	25,968	25,968	None	207,740	12.50
2018	24,009	24,009	None	191,737	12.52
2017	16,211	16,211	None	182,416	8.89
2016	13,488	13,488	None	184,011	7.33
2015	12,428	12,428	None	172,024	7.22

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate as of June 30, 2023 and June 30, 2024 was 7.00%

SUPPLEMENTARY INFORMATION

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GOVERNMENTAL FUNDS
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Amount to be Raised by Taxation	\$ 729,454.00	\$ 729,454.00	
Other Revenue	65,000.00	66,461.57	\$ 1,461.57
Interest on Investments & Deposits	1,000.00	18,510.76	17,510.76
SFSP	3,328.00		(3,328.00)
Total Revenue Offset by Appropriations	<u>10,000.00</u>	<u>10,000.00</u>	
	<u>\$ 808,782.00</u>	<u>\$ 824,426.33</u>	<u>\$ 15,644.33</u>
Adopted Budget	\$ 808,782.00		
Less: Transfer to Special Revenue Fund	<u>3,328.00</u>		
	<u>\$ 805,454.00</u>		

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2024

<u>General Fund</u>	<u>Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Appropriations:				
Administrative:				
Salaries - Administrators	\$ 65,575.00	\$ 65,575.00	\$ 65,575.12	\$ (0.12)
Salaries - Commissioners	48,500.00	48,500.00	48,500.16	(0.16)
Fringe Benefits:				
Medical Insurance	23,606.00	23,606.00	23,606.00	-
Pension	10,376.00	10,376.00	10,376.00	-
FICA	9,040.00	9,040.00	9,491.76	(451.76)
	<u>157,097.00</u>	<u>157,097.00</u>	<u>157,549.04</u>	<u>(452.04)</u>
Other:				
Office Expenses	6,000.00	6,000.00	11,853.44	(5,853.44)
Membership Dues	499.00	499.00	73.00	426.00
Professional Services	24,000.00	24,000.00	20,344.41	3,655.59
Travel Expenses, Meeting & Conventions	3,000.00	3,000.00	3,483.00	(483.00)
Elections	4,000.00	4,000.00	3,081.67	918.33
Advertising	800.00	800.00	414.32	385.68
Insurance Premiums	48,000.00	48,000.00	45,092.45	2,907.55
Training & Education	368.00	368.00	-	368.00
Fire Prevention	2,000.00	2,000.00	1,980.00	20.00
	<u>88,667.00</u>	<u>88,667.00</u>	<u>86,322.29</u>	<u>2,344.71</u>
Total Administrative	<u>245,764.00</u>	<u>245,764.00</u>	<u>243,871.33</u>	<u>1,892.67</u>
Cost of Operations and Maintenance				
Personnel:				
Salaries	194,863.00	194,863.00	188,863.24	5,999.76
Fringe Benefits:				
Medical Insurance	73,800.00	73,800.00	64,052.87	9,747.13
Pension	30,942.00	30,942.00	30,942.00	-
FICA	18,413.00	18,413.00	13,825.30	4,587.70
Worker's Compensation Insurance	42,500.00	42,500.00	39,462.00	3,038.00
	<u>360,518.00</u>	<u>360,518.00</u>	<u>337,145.41</u>	<u>23,372.59</u>

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>General Fund (Continued)</u>				
Other Expenditures:				
Automobile Fuel	\$ 4,000.00	\$ 4,000.00	\$ 4,519.34	\$ (519.34)
Office Maintenance & Repairs	18,000.00	18,000.00	14,093.32	3,906.68
Utilities & Related Expenses	27,000.00	27,000.00	27,227.98	(227.98)
Maintenance & Repairs	69,000.00	69,000.00	61,779.59	7,220.41
Communications & Repairs	2,500.00	2,500.00		2,500.00
Training Grounds	5,000.00	5,000.00	5,000.00	-
Uniforms & Personal Equipment	60,000.00	60,000.00	60,000.00	-
Firefighter Personal Protective Equipment	7,000.00	3,672.00	5,729.50	(2,057.50)
	<u>192,500.00</u>	<u>189,172.00</u>	<u>178,349.73</u>	<u>10,822.27</u>
Other Offset with Revenues:				
Salaries	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
TOTAL	<u>\$ 808,782.00</u>	<u>\$ 805,454.00</u>	<u>\$ 769,366.47</u>	<u>\$ 36,087.53</u>

Adopted Budget	\$ 808,782.00
Less: Transfer to Special Revenue Fund	<u>3,328.00</u>
Adjusted Budget	<u>\$ 805,454.00</u>

Cash Disbursed	\$ 759,521.67
Commitments Payable	4,000.00
Accounts Payable	<u>5,844.80</u>
	<u>\$ 769,366.47</u>

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND APPROPRIATIONS
YEAR ENDED DECEMBER 31, 2024

	Adjusted Budget	Actual
Supplemental Fire Services Program	\$ <u>3,328.00</u>	\$ <u>3,328.50</u>
Transferred from General Fund	\$ <u>3,328.00</u>	

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

<u>Issue/Project Title</u>	<u>Original Date of Approval</u>	Balance December 31, <u>2023</u>	2024 Budget <u>Appropriation</u>	Balance December 31, <u>2024</u>
Reserve for Future Capital Outlay	N/A	\$ <u>72,921.63</u>	\$ <u>55,000.00</u>	\$ <u>127,921.63</u>
		\$ <u><u>72,921.63</u></u>	\$ <u><u>55,000.00</u></u>	\$ <u><u>127,921.63</u></u>

ABERDEEN TOWNSHIP FIRE DISTRICT #1
COUNTY OF MONMOUTH
SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH, CASH EQUIVALENTS AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2024

	Governmental Fund			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	
Receipts:				
District Taxes	\$ 729,454.00		\$ 55,000.00	\$ 784,454.00
Interest on Investments	18,510.76			18,510.76
Other Revenue - Inspections, Fines and Tickets	66,461.57			66,461.57
	<u>\$ 814,426.33</u>		<u>\$ 55,000.00</u>	<u>\$ 869,426.33</u>
Disbursements:				
Operating Appropriations	\$ 759,521.67	\$ 3,328.50		\$ 762,850.17
Accounts Payable - Prior Year	3,811.41			3,811.41
Miscellaneous	10.71			10.71
	<u>\$ 763,343.79</u>	<u>\$ 3,328.50</u>		<u>\$ 766,672.29</u>
Increase in Cash and Cash Equivalents	\$ 51,082.54	\$ (3,328.50)	55,000.00	\$ 102,754.04
Cash and Cash Equivalents December 31, 2023	<u>676,213.76</u>		<u>\$ 72,921.63</u>	<u>749,135.39</u>
Cash and Cash Equivalents December 31, 2024	<u>\$ 727,296.30</u>	<u>(3,328.50)</u>	<u>\$ 127,921.63</u>	<u>\$ 851,889.43</u>
Analysis of Cash and Cash Equivalents:				
Cash - Checking	\$ 14,708.15	\$ (3,328.50)		\$ 11,379.65
Cash - Payroll	1,852.05			1,852.05
Savings	441,605.86		\$ 127,921.63	569,527.49
Sub-Total	458,166.06	(3,328.50)	127,921.63	582,759.19
Investments - Certificate of Deposit	<u>269,130.24</u>			<u>269,130.24</u>
	<u>\$ 727,296.30</u>	<u>\$ (3,328.50)</u>	<u>\$ 127,921.63</u>	<u>\$ 851,889.43</u>

ABERDEEN TOWNSHIP FIRE DISTRICT #1
STATISTICAL INFORMATION
DECEMBER 31, 2024

Property Tax Levies

Following is a tabulation of the District's assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding four years:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
2024	\$ 2,179,148,600.00	\$ 784,454.00	0.036
2023	2,005,739,200.00	766,595.00	0.039
2022	1,711,996,400.00	751,564.00	0.044
2021	1,538,301,400.00	735,847.00	0.048
2020	1,522,833,900.00	721,419.00	0.048

Unrestricted Net Position

<u>Fiscal Year Ended</u>	<u>End of Fiscal Year</u>	<u>Utilization in Subsequent Year Budget</u>
December 31, 2024	\$ 660,661.23	None
December 31, 2023	615,627.08	None
December 31, 2022	541,544.26	None
December 31, 2021	468,284.87	None
December 31, 2020	434,386.52	None

BOARD OF FIRE COMMISSIONERS
ABERDEEN TOWNSHIP FIRE DISTRICT #1
ROSTER OF OFFICIALS
DECEMBER 31, 2024

Board of Commissioners

	<u>Position</u>
Vincent Vinci	President
James Lauro	Vice President - Buildings and Grounds
E. Paul Percussi	Secretary
Nicodemo Panetta	Treasurer *
James Foley	Financial Secretary

Other Officials

Bruce Padula, Esq.	Board Attorney
Robert DeBold	Fire Official
William Smith, Jr.	Fire Inspector
Janet Capo	Office Manager
Columbia Bank	Official Depository

* Surety Company

American Alternative Ins. Co.

Amount of Bond \$100,000.00

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2024

Scope of Examination and Conditions of Records

Our examination covered the funds of the Board of Fire Commissioners, Fire District #1, Aberdeen Township handled by the bookkeeper of the Fire District.

The financial records were maintained in adequate condition.

Minutes of Board meetings were properly maintained.

Cash and Cash Equivalents and Investments

The balances in banks at December 31, 2024 were verified with the bank and reconciliations and/or statements issued by the depositories.

Our examination revealed that the Fire District maintains its investable funds in a money market fund.

Examination of Claims

The budget as prescribed on Schedule 2 is the detail as maintained by the Office Secretary. It is in agreement in total to the approved budget. There were eight (8) line items overexpended by insignificant amounts; however, the total budget was not.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Claims paid during the period under audit were examined on a test basis to determine that they are submitted on Board vouchers, itemized, signed by the officials as to approval for payment, allocation to the proper accounts and charged to the proper fiscal period, and in agreement with bill lists set forth in the approved minutes of the Board.

Payroll

The payroll examination revealed that salaries were paid in accordance with the salaries authorized by the Board and within the guidelines set up in the annual budget.

GENERAL COMMENTS AND RECOMMENDATIONS
(CONTINUED)
DECEMBER 31, 2024

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (as amended)

N.J.S. 40A:11-4 (as amended) states, "Every contract or agreement, for the performance of any work or the 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 after public act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding \$17,500.00 since the District does not employ a Qualified Purchasing Agent ("QPA") except by contract or agreement."

The members of the Aberdeen Township Fire District #1 have the responsibility of determining whether any contract or agreement might result in violation of the statute and, when necessary, the Board Attorney's opinion should be sought before a commitment is made.

In addition, the following items were purchased under state or cooperative purchasing contract:

Fire Equipment

Firefighter Apparel

Fire Truck Repairs

There was a general resolution documenting the approval of the purchase of the fire equipment, apparel and repairs under state contract. While it is legal and proper to purchase goods or services under State contract, resolutions are required for any purchases in excess of the Local Public Contract Law threshold of \$17,500.00. These are isolated incidences and were however, discussed in the minutes of the Commissioners.

Inasmuch as the system of records did not provide for any 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 indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with provisions of N.J.S.A. 40A:11-21. It is suggested that consideration be given to utilizing a "Quote Documentation" sheet for all expenditures greater than \$2,625.00 (the quote threshold).

GENERAL COMMENTS AND RECOMMENDATIONS
(CONTINUED)
DECEMBER 31, 2024

Financial Procedures

It is suggested that for all financial processes within each function that a review, updating and documentation of all procedures be done in order to be in compliance with recent accounting and auditing requirements related to internal control.

General Ledger

The District does not maintain a general ledger as required by the General Accounting Office (GAO). It should be noted that an adequate trail exists for the cash receipts and cash disbursements records.

Miscellaneous

An exit conference was held in accordance with Auditing Standards Generally Accepted in the United States of America for governmental entities.

Follow-up on Prior Year Recommendation

A corrective plan of action was not required for the 2023 audit since there were no recommendations.

The general problems and weaknesses that were documented prior year, including the areas of accounting and controls over revenues, expenditures and payroll, have been improved upon by the District's clerk.

Acknowledgment

During the course of the audit, we received the cooperation of the officials of the Fire District and we appreciate the courtesies extended to us.

RECOMMENDATIONS

DECEMBER 31, 2024

None.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "G Stankiewicz". The signature is written in a cursive style with a large initial "G".

Gerard Stankiewicz, CPA, RMA
For The Firm
SAMUEL KLEIN AND COMPANY, LLP