

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Financial Statements and Supplementary Information

For the Year Ended December 31, 2024



# PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Financial Statements and Supplementary Information  
Year Ended December 31, 2024

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**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Roster of Officials  
For the year ended December 31, 2024

**Board of Fire Commissioners**

Robert Brady, Chairman  
Kent Amburgey, Vice-Chairman  
Kenneth Hagen, Treasurer  
William Phippen, Jr., Secretary  
John Gaskill, Commissioner

**Other Officials**

Richard M. Braslow, Esq., Attorney  
Lane J. Biviano, Esq., LLC., Attorney

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners  
Plumsted Township Fire Commissioners District No. 1  
New Egypt, New Jersey

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for 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 issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey'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* 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 Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey'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 Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension liability – PERS and PFRS and net OPEB

liability, schedules of District contributions – PERS, PFRS and OPEB and notes to the required supplementary information (pages 5 to 11 and 53 to 65) 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.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of supplemental fire services grant expenditures (page 66) 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.

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 September 30, 2025, on our consideration of Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey ’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey’s internal control over financial reporting and compliance.

*DePietto & DePietto, LLC*

Holland, Pennsylvania  
September 30, 2025

REQUIRED SUPPLEMENTARY INFORMATION

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Management's Discussion and Analysis

For the Year Ended December 31, 2024

Unaudited

The discussion and analysis of the Plumsted Township Fire Commissioners District No. 1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of the discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999.

### **Financial Highlights**

Key financial highlights for 2024 are as follows:

In total, net position increased \$426,665 from 2023.

General revenues accounted for \$3,109,682 or 100% of all revenues.

Per generally accepted accounting principles (GAAP) basis, the District had \$2,683,017 in expenses including \$3,452 of depreciation, \$162,877 in pension recovery to be in compliance with GASB 68 and \$266,972 in OPEB expense to be in compliance with GASB75 for 2024. General revenues (primarily taxes) of \$3,109,682 were adequate to provide for these programs, resulting in a change in net position of \$426,665.

Per Non-GAAP budgetary basis, the District had \$2,606,882 in expenditures and \$200,000 in transfers to the general fund from the capital fund and \$3,109,682 of actual revenue which resulted in \$502,800 of revenues over expenditures. General revenues (primarily taxes) and utilization of the budgeted unrestricted fund balance were adequate to provide for these programs.

### **Using this Report**

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Plumsted Township Fire Commissioners District No. 1 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This annual report consists of the following three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

## **District-Wide Financial Statements (Statement of Net Position and Statement of Activities)**

These statements provide both short-term and long-term information about the District's overall financial status.

### **Fund Financial Statements**

Fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

### **Reporting the District as a Whole Statement of Net Position and the Statement of Activities**

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting, takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those positions. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required programs and other factors.

## **Reporting the District's Most Significant Funds Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transaction. The District's governmental funds are the General Fund and Capital Projects Fund.

### **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

### **The District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

A summary of the District's Statement of Net Position and Statement of Changes in Net Position is presented below.

**Table 1**  
**Condensed Statement of Net Position**

|  | <u>Governmental<br/>Activities<br/>2024</u> | <u>Governmental<br/>Activities<br/>2023</u> |
|--|---|---|
| Current and Other Assets   | \$2,620,514                                 | \$1,571,548                                 |
| Capital Assets, net of accumulated depreciation                  | <u>285,871</u>                              | <u>257,911</u>                              |
| Total Assets   | <u>2,906,385</u>                            | <u>1,829,459</u>                            |
| Deferred Outflow of Resources                                    | <u>3,195,126</u>                            | <u>388,641</u>                              |
| Total Assets and Deferred Outflow of Resources                   | <u>\$6,101,511</u>                          | <u>\$2,218,100</u>                          |
| Current Liabilities  | \$ 839,038                                  | \$ 291,908                                  |
| Long-Term Liabilities  | <u>4,348,837</u>                            | <u>2,099,879</u>                            |
| Total Liabilities  | <u>5,187,875</u>                            | <u>2,391,787</u>                            |
| Deferred Inflow of Resources                                     | <u>1,238,421</u>                            | <u>577,763</u>                              |
| Net Position:  |   |   |
| Invested in Capital Assets, net of related debt                  | 285,871                                     | 257,911                                     |
| Restricted for Capital Projects                                  | 459,185                                     | 659,185                                     |
| Restricted for Post-Retirement Sick Pay Benefits                 | 45,386                                      | 65,531                                      |
| Unrestricted   | <u>(1,115,227)</u>                          | <u>(1,734,077)</u>                          |
| Total Net Position   | <u>(324,785)</u>                            | <u>(751,450)</u>                            |
| Total Liabilities, Deferred Inflow of Resources and Net Position | <u>\$ 6,101,511</u>                         | <u>\$2,218,100</u>                          |

**Table 2**  
**Condensed Statement of Changes in Net Position**

|                                    | <u>Governmental<br/>Activities<br/>2024</u> | <u>Governmental<br/>Activities<br/>2023</u> |
|------------------------------------|---|---|
| REVENUES:                          |   |   |
| General Revenues:                  |   |   |
| Property taxes                     | \$2,717,741                                 | \$2,410,491                                 |
| EMS revenue                        | 291,774                                     | 291,947                                     |
| Fire safety revenue                | 51,590                                      | 59,374                                      |
| Miscellaneous revenue              | 1,437                                       | 35,972                                      |
| State grants                       | <u>47,140</u>                               | <u>29,140</u>                               |
| Total Revenues                     | <u>\$3,109,682</u>                          | <u>\$2,826,924</u>                          |
| EXPENSES:                          |   |   |
| Administration                     | \$ 127,861                                  | \$ 180,575                                  |
| Cost of Operations and Maintenance | <u>2,555,156</u>                            | <u>2,174,788</u>                            |
| Total Expenses                     | <u>2,683,017</u>                            | <u>2,355,363</u>                            |
| Increase in Net Position           | <u>\$ 426,665</u>                           | <u>\$ 471,561</u>                           |

## Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. Property taxes made up 87.4% of revenues for governmental activities for Plumsted Township Fire Commissioners District No. 1 for 2024. The District's total revenues were \$3,109,682 for the year ended December 31, 2024. The state grants and other income accounted for another 1.5% of revenue and EMS revenue and fire safety revenue accounted for the remaining 11.1%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Administration includes expenses associated with administrative and financial supervision of the District.

Cost of Operations and Maintenance involve keeping equipment in an effective working condition.

## The District's Funds

All governmental funds (i.e., general fund and capital projects fund) are accounted for using the modified-accrual basis of accounting. Total revenues amounted to \$3,109,682, expenditures were \$2,606,882 and reserves for future capital outlays were \$200,000. The total change in fund balance for the year in the governmental funds was \$502,800.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the General Fund for the year ended December 31, 2024 and 2023:

**Table 3**  
**Summary of Revenues – General Fund**

|                                 | <u>2024</u>        | <u>2023</u>        |
|---------------------------------|--------------------|--------------------|
| <b>Revenue:</b>                 |                    |                    |
| Local Sources:                  |                    |                    |
| Amount to be Raised by Taxation | \$2,717,741        | \$2,410,491        |
| Miscellaneous                   | 344,801            | 387,293            |
| State sources                   | <u>47,140</u>      | <u>29,140</u>      |
| Total                           | <u>\$3,109,682</u> | <u>\$2,826,924</u> |

The following schedule presents a summary of the expenditures of the General Fund for the year ended December 31, 2024 and 2023:

**Table 4**  
**Summary of Expenditures – General Fund**

|                                    | <u>2024</u>        | <u>2023</u>        |
|------------------------------------|--------------------|--------------------|
| <b>Expenditures:</b>               |                    |                    |
| Administration                     | \$ 127,861         | \$ 180,575         |
| Cost of Operations and Maintenance | <u>2,479,021</u>   | <u>2,277,998</u>   |
| Total                              | <u>\$2,606,882</u> | <u>\$2,458,573</u> |

### Capital Assets

At the end of the year 2024, the District had \$285,871 invested in land, fire equipment, fire apparatus and office equipment net of depreciation. Table 5 shows 2024 balances compared to 2023.

**Table 5**  
**Capital Assets (Net of Depreciation)**

|                           | <u>2024</u>      | <u>2023</u>      | <u>Increase<br/>(Decrease)<br/>from 2023</u> |
|---------------------------|------------------|------------------|--|
| Building – architect fees | \$ 47,685        | \$ 47,685        | \$ (0)                                       |
| Fire Equipment            | 27,960           | 0                | 27,960                                       |
| Land – not depreciated    | <u>210,226</u>   | <u>210,226</u>   | <u>0</u>                                     |
| Total                     | <u>\$285,871</u> | <u>\$257,911</u> | <u>\$27,960</u>                              |

The District holds a piece of property that was purchased back in January 2018. The cost was \$210,226. The cost includes the purchase of the land, demolition of the building and real estate taxes required to be paid as part of the purchase. It is being held for future development. In 2024, the District purchased non-bondable assets for \$31,412 that were required to be capitalized in accordance with GAAP. The purchase included a chest compression system, a Motorola radio and mount and gear lockers. Depreciation expense of \$3,452 was charged to governmental activities as part of its cost of operations in 2024.

### Economic Factors and Next Years Budget

#### Economic Factors

For the 2024 year, the Plumsted Township Fire Commissioners District No. 1 was able to sustain its budget through the district tax levy and other sources of revenue. Approximately 87.4% of total revenue was from the local tax levy, while the remaining 12.6% was from other sources. The tax rate levy per \$100 of property valuation increased from \$.3080 in 2023 to \$.3452 in 2024.

### Next Years Budget

The District introduced their 2025 budget on December 2, 2024. The voters subsequently voted to approve the budget at the February election. The 2025 adopted budget reflects an increase in the tax levy of \$112,777, in which the Board anticipated an increase to the fire tax rate to \$.3582 per \$100 of property valuation.

The 2025 budget also includes utilizing \$190,850 of unrestricted fund balance to offset operating expenses.

### **For the Future**

The District is presently in good financial condition. The District is proud of its community support.

In conclusion, the District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, creditors and other interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Treasurer, at Plumsted Township Fire Commissioners District No. 1, County of Ocean, State of New Jersey, P.O. Box 267, New Egypt, New Jersey, 08533.

## BASIC FINANCIAL STATEMENTS

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Statement of Net Position

December 31, 2024

|   | <u>Governmental</u><br><u>Activites</u> |
|---|---|
| <b>ASSETS</b>   |   |
| Cash and cash equivalents   | \$ 1,472,349                            |
| Capital assets, net of accumulated depreciation                         | 285,871                                 |
| Account and other receivables   | 9,765                                   |
| Prepaid expenses  | 38,400                                  |
| Construction-in-progress - fire truck                                   | <u>1,100,000</u>                        |
| Total assets  | <u>2,906,385</u>                        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                   |   |
| Deferred outflows related to OPEB                                       | 3,005,460                               |
| Deferred outflows related to pensions                                   | <u>189,666</u>                          |
| Total deferred outflows of resources                                    | <u>3,195,126</u>                        |
| Total assets and deferred outflows of resources                         | <u>\$ 6,101,511</u>                     |
| <b>LIABILITIES</b>  |   |
| Accounts payable  | \$ 24,240                               |
| Accrued expenses  | 566,704                                 |
| Pension payable   | 248,094                                 |
| Long-term liabilities:  |   |
| Net OPEB liability  | 2,449,644                               |
| Net pension liability   | <u>1,899,193</u>                        |
| Total long-term liabilities   | <u>4,348,837</u>                        |
| Total liabilities   | <u>5,187,875</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                    |   |
| Deferred inflows related to OPEB  | 822,788                                 |
| Deferred inflows related to pensions                                    | <u>415,633</u>                          |
| Total deferred inflows of resources                                     | <u>1,238,421</u>                        |
| Total liabilities and deferred inflows of resources                     | <u>6,426,296</u>                        |
| <b>NET POSITION</b>   |   |
| Invested in capital assets, net of related debt                         | 285,871                                 |
| Restricted for:   |   |
| Capital projects  | 459,185                                 |
| Post-retirement sick pay benefits                                       | 45,386                                  |
| Unrestricted  | <u>(1,115,227)</u>                      |
| Total net position  | <u>(324,785)</u>                        |
| Total liabilities and deferred inflows of resources<br>and net position | <u>\$ 6,101,511</u>                     |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Statement of Activities

For the Year Ended December 31, 2024

|                                     | <u>Governmental</u><br><u>Activites</u> |
|-------------------------------------|---|
| Expenditures:                       |   |
| Emergency services - administration | \$ 127,861                              |
| Emergency services - operations     | <u>2,555,156</u>                        |
| <br>Total expenditures              | <br><u>2,683,017</u>                    |
| <br>General revenues:               |   |
| Taxes                               | 2,717,741                               |
| EMS revenue                         | 291,774                                 |
| Fire safety revenue                 | 51,590                                  |
| Grant - State of NJ                 | 2,140                                   |
| Grant - American Rescue Plan        | 45,000                                  |
| Miscellaneous revenue               | 1,437                                   |
| Transfers - internal activities     | <u>0</u>                                |
| <br>Total general revenues          | <br><u>3,109,682</u>                    |
| <br>Change in net position          | <br>426,665                             |
| <br>Net position                    |   |
| Beginning of the year               | <u>(751,450)</u>                        |
| <br>Net position, end of year       | <br><u><u>\$ (324,785)</u></u>          |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Governmental Funds

Balance Sheet

December 31, 2024

|                                       | <u>Governmental Funds</u> |                   |                     |
|---------------------------------------|---------------------------|-------------------|---------------------|
|                                       |                           | <u>Capital</u>    |                     |
|                                       | <u>General Fund</u>       | <u>Projects</u>   | <u>Total</u>        |
|                                       | <u>Fund</u>               | <u>Fund</u>       |                     |
| <b>ASSETS</b>                         |                           |                   |                     |
| Cash and cash equivalents             | \$ 1,013,164              | \$ 459,185        | \$ 1,472,349        |
| Account and other receivables         | 9,765                     | 0                 | 9,765               |
| Prepaid expenses                      | 38,400                    | 0                 | 38,400              |
| Construction-in-progress - fire truck | 1,100,000                 | 0                 | 1,100,000           |
|                                       |                           |                   |                     |
| Total assets                          | <u>\$ 2,161,329</u>       | <u>\$ 459,185</u> | <u>\$ 2,620,514</u> |
| <b>LIABILITIES</b>                    |                           |                   |                     |
| Accounts payable                      | \$ 24,240                 | \$ 0              | \$ 24,240           |
| Accrued expenses                      | 566,704                   |                   | 566,704             |
|                                       |                           |                   |                     |
| Total liabilities                     | <u>590,944</u>            | <u>0</u>          | <u>590,944</u>      |
| <b>FUND BALANCES</b>                  |                           |                   |                     |
| Fund balances:                        |                           |                   |                     |
| Unassigned                            | 424,999                   | 0                 | 424,999             |
| Restricted                            |                           |                   |                     |
| For capital projects                  | 0                         | 9,185             | 9,185               |
| For completion of fire truck          | 1,100,000                 | 0                 | 1,100,000           |
| For future capital outlays            | 0                         | 450,000           | 450,000             |
| Committed                             |                           |                   |                     |
| For post retirement sick pay benefits | 45,386                    | 0                 | 45,386              |
|                                       |                           |                   |                     |
| Total fund balances                   | <u>1,570,385</u>          | <u>459,185</u>    | <u>2,029,570</u>    |
|                                       |                           |                   |                     |
| Total liabilities and fund balances   | <u>\$ 2,161,329</u>       | <u>\$ 459,185</u> | <u>\$ 2,620,514</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Governmental Funds

Balance Sheet

December 31, 2024

|   |                            |
|---|----------------------------|
| Governmental Funds - Fund Balance, December 31, 2024  | \$ 2,029,570               |
| Differences to amounts reported for governmental activities in the statement of net position:   |                            |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,132,196 and the accumulated depreciation is \$1,846,325 | 285,871                    |
| Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.  | 1,956,705                  |
| Accrued PERS and PFRS pension payable is not recorded in financial statements of governmental funds   | (248,094)                  |
| Long-term liabilities, including net pension liability, are not due and payable in the current period and are therefore not reported as liabilities in the funds  | <u>(4,348,837)</u>         |
| Governmental Activities - Net Position, December 31, 2024   | <u><u>\$ (324,785)</u></u> |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2024

|   | Governmental Funds  |                                  |                     |
|---|---------------------|----------------------------------|---------------------|
|   | <u>General Fund</u> | <u>Capital<br/>Projects Fund</u> | <u>Total</u>        |
| Expenditures/expenses:  |                     |                                  |                     |
| Emergency services - administration                               | \$ 127,861          | \$ 0                             | \$ 127,861          |
| Emergency services - operations                                   | 2,479,021           | 0                                | 2,479,021           |
| Total expenditures/expenses                                       | <u>2,606,882</u>    | <u>0</u>                         | <u>2,606,882</u>    |
| General revenues:   |                     |                                  |                     |
| Taxes   | 2,717,741           | 0                                | 2,717,741           |
| EMS revenue   | 291,774             | 0                                | 291,774             |
| Fire safety revenue   | 51,590              | 0                                | 51,590              |
| Grant - State of NJ   | 2,140               | 0                                | 2,140               |
| Grant - DCA   | 45,000              | 0                                | 45,000              |
| Miscellaneous revenue   | 1,437               | 0                                | 1,437               |
| Total general revenues  | <u>3,109,682</u>    | <u>0</u>                         | <u>3,109,682</u>    |
| Excess of revenues over expenditures<br>before internal transfers | 502,800             | 0                                | 502,800             |
| Transfers - internal activities:                                  |                     |                                  |                     |
| Restricted funds utilized   | 650,000             | (650,000)                        | 0                   |
| For future capital outlays  | (450,000)           | 450,000                          | 0                   |
| Total transfers - internal activities                             | <u>200,000</u>      | <u>(200,000)</u>                 | <u>0</u>            |
| Revenues over expenditures and internal<br>transfers              | 702,800             | (200,000)                        | 502,800             |
| Fund balance:   |                     |                                  |                     |
| Beginning of the year   | <u>867,585</u>      | <u>659,185</u>                   | <u>1,526,770</u>    |
| End of the year   | <u>\$ 1,570,385</u> | <u>\$ 459,185</u>                | <u>\$ 2,029,570</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
in the Governmental Funds to the Statement of Activities

December 31, 2024

Total changes in Governmental Funds - Fund Balance, December 31, 2024 \$ 502,800

Differences to amounts reported for governmental  
activities in the statement of net position:

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.

|                      |         |
|----------------------|---------|
| Depreciation Expense | (3,452) |
| Capitalized Assets   | 31,412  |

District health insurance premiums for retired employees are reported as  
expenditures in the governmental funds when made. However, they are  
reported as deferred outflows of resources in the Statement of Net Position  
because the reported net pension OPEB liability is measured a year before  
the District's report date. Included in fringe benefits expense, is the change  
in the net OPEB liability adjusted for changes in deferred outflows and  
inflows of resources related to OPEB, is reported in the Statement of  
Activities.

|                        |           |
|------------------------|-----------|
| OPEB (expense) benefit | (266,972) |
|------------------------|-----------|

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

|                           |                |
|---------------------------|----------------|
| Pension benefit (expense) | <u>162,877</u> |
|---------------------------|----------------|

|   |                          |
|---|--------------------------|
| Governmental Activities - Change in Net Position, December 31, 2024 | <u><u>\$ 426,665</u></u> |
|---|--------------------------|

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2024

|   | Deferred<br>Compensation<br>Trust |
|---|-----------------------------------|
| <b>ASSETS</b>                             |                                   |
| Investments with fiscal agents            | \$ 236,734                        |
| Receivables - participants' contributions | <u>1,450</u>                      |
| <b>TOTAL CURRENT ASSETS</b>               | <b><u>\$ 238,184</u></b>          |
| <b>NET POSITION</b>                       |                                   |
| Held in trust for deferred compensation   | <b><u>\$ 238,184</u></b>          |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2024

|   | Deferred<br>Compensation<br>Trust |
|---|-----------------------------------|
| <b>ADDITIONS (REDUCTIONS) TO NET POSITION</b> |                                   |
| Additions to net position attributed to       |                                   |
| Investment income:                            |                                   |
| Net depreciation in fair value of investments | <u>\$ 33,344</u>                  |
| Net investment earnings                       | 33,344                            |
| Contributions:                                |                                   |
| Participants'                                 | <u>27,240</u>                     |
| <b>TOTAL ADDITIONS TO NET POSITION</b>        | <u>60,584</u>                     |
| <b>DEDUCTIONS FROM NET POSITION</b>           |                                   |
| Distributions:                                |                                   |
| Participants'                                 | 45,068                            |
| Administrative Fees                           | <u>238</u>                        |
| <b>TOTAL DEDUCTIONS FROM NET POSITION</b>     | <u>45,306</u>                     |
| Net increase prior to interfund transfers     | 15,278                            |
| Interfund transfers                           | <u>0</u>                          |
| <b>NET INCREASE</b>                           | 15,278                            |
| <b>NET POSITION AVAILABLE FOR BENEFITS</b>    |                                   |
| Beginning of year                             | <u>222,906</u>                    |
| <b>END OF YEAR</b>                            | <u><u>\$ 238,184</u></u>          |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Plumsted Township Fire Commissioners District No. 1 (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

#### Reporting Entity

Plumsted Township Fire Commissioners District No. 1 is a political subdivision of the Township of Plumsted, County of Ocean, New Jersey. The District was formed to provide fire prevention and suppression services to the residents of Plumsted Township. The District functions independently through a Board of Fire Commissioners. The board is comprised of five members elected to three-year terms. The board is responsible for the fiscal control of the District. The annual Fire District election is held the first Tuesday after the first Monday of November.

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34* and GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The District had no component units as of and for the year ended December 31, 2024.

#### Basis of Presentation

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

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

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

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in other specialized funds.

The Capital Projects Fund is used to account for the financial resources for the acquisition of capital assets or the construction of major capital facilities within the District. The financial resources are derived from the issuance of debt or by reservation of fund balance that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds.

#### District Wide and Fund Financial Statements

The district-wide financial statements report information of all of the nonfiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees.

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

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use,

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

#### Fund Financial Statements

The fund financial statements provide detail of the governmental funds.

#### Basis of Accounting

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB).

#### Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures of liabilities but rather commitments related to unperformed contracts for goods and services. The encumbered appropriation authority carries over into the next fiscal year. An entry will

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Encumbrances (continued)

be made at the beginning of the next fiscal year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current fiscal year end. There were no encumbrances as of December 31, 2024.

Revenues and Expenditures

Revenues are recorded when they are determined to be both available and measurable. Generally, fees and other non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are recorded when the related liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Prepaid Expenses

Prepaid expenses that benefit future periods are recorded as expenditures during the year of purchase.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government –wide statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not.

Depreciation has been provided over estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

|                  |          |
|------------------|----------|
| Fire equipment   | 5 years  |
| Fire apparatus   | 10 years |
| Office equipment | 5 years  |

Right-to-use Assets and Liabilities

In accordance with *GASB Statement No. 87: Leases*, right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease. As of December 31, 2024, the District had no right-to-use leased assets or related liabilities.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Employee Benefits

Vacation, sick pay and other employee benefits are recorded as expenditures when paid except for other post employment benefits noted in Note 10.

#### Use of Estimates

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

#### Income Taxes

As a public body, the District is exempt from both federal and state taxes existing under statute.

#### Budget and Budgetary Accounting

The District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et. al.

The fire commissioners must introduce and approve the annual budget no later than 25 days prior to the third Saturday in February, with the adopted budget advertised at least seven days prior to the same date, regardless of when the annual fire district election is held. Upon introduction, the commissioners fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget. When the annual election is in November, the public no longer votes on approving the fire district's budget when it is within the tax levy guidelines issued by the NJ Department of Community Affairs.

Amendments may be made to the District budget in accordance with N.J.S.A. 40A:14-78.3.

Fire districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the District's financial statements. Each annual budget lapses at the end of the year.

#### Fire District Taxes

Upon proper certification to the assessor of the municipality in which the District is located, the assessor shall assess the amount of taxes to be raised in support of the District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality then pays the assessed taxes in monthly installments to the treasurer or custodian of funds of the District.

#### Deferred Outflows and Deferred Inflows of Resources

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

## PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Deferred Outflows and Deferred Inflows of Resources (continued)

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

#### Pensions Section

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

#### Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making by the District and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds

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

#### Net position

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

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

## PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net position (continued)

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

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

*Statement No. 100, Accounting Changes and Error Corrections.* This statement establishes new requirements for the accounting and reporting of changes in accounting principles and the correction of errors. The implementation of GASB Statement No. 100 had no effect on the financial position, results of operations, or fund balances/net position of the District.

*Statement No. 101, Compensated Absences.* This Statement updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn't been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. The implementation of GASB Statement No. 100 had no effect on the financial position, results of operations, or fund balances/net position of the District.

##### Recently Issued Accounting Pronouncements

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

*Statement No. 102, Certain Risk Disclosures.* This Statement requires a government to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the District's financial statements.

*Statement No. 103, Financial Reporting Improvements.* This Statement enhances the governmental financial reporting model by restructuring MD&A, requiring unusual or infrequent items to be presented and disclosed with details, mandating separate presentation or note disclosure for major component units, and requiring budgetary comparison schedules to be presented as required supplementary information only. Statement No. 102 is effective for fiscal years beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

## PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Recently Issued Accounting Pronouncements (continued)

*Statement No. 104, Disclosure of Certain Capital Assets.* This Statement requires separate disclosure in the notes of certain capital assets, including those held for sale, to provide users with relevant information about significant capital assets not in active use. Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

### NOTE 2 – CASH AND CASH EQUIVALENTS AND CONCENTRATION OF CREDIT RISK

#### Cash and Cash Equivalents

Cash used for the day-to-day operations and capital projects of the Fire District is in non-interest bearing checking accounts. The balance in the accounts on December 31, 2024 was \$1,472,349. Of this balance, the amount available for operations was \$1,013,164 and \$459,185 was restricted for future capital projects.

The District has adopted a cash management plan. The District is required by *N.J.S.A. 40A: 5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. *N.J.S.A. 40A: 5-15.1* provides a list of investments that may be purchased by the District.

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

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

#### Concentration of Credit Risk

All bank deposits are classified as to credit risk by the three categories. **Category 1** consists of bank deposits insured or collateralized with securities held by the District or in the District's name by its agent. **Category 2** consists of bank deposits collateralized with securities held by pledging public depository's trust department or agent in the District's name. **Category 3** includes uncollateralized deposits including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the District's name. At December 31, 2024, the District's deposits of \$1,472,349 are classified as Category 1 deposits.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 3 – CAPITAL ASSETS**

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Governmental Activities:                    |                              |                  |                  |                           |
| Capital Assets, Being Depreciated:          |                              |                  |                  |                           |
| Building                                    | \$ 47,685                    | \$ 0             | \$ 0             | \$ 47,685                 |
| Fire apparatus                              | 1,580,049                    | 0                | 0                | 1,580,049                 |
| Fire equipment                              | <u>262,824</u>               | <u>31,412</u>    | <u>0</u>         | <u>294,236</u>            |
| Total Capital Assets, Being Depreciated     | 1,890,558                    | 31,412           | 0                | 1,921,970                 |
| Less: Accumulated Depreciation              |                              |                  |                  |                           |
| Fire apparatus                              | (1,580,048)                  | 0                | 0                | (1,580,048)               |
| Fire equipment                              | <u>(262,825)</u>             | <u>(3,452)</u>   | <u>0</u>         | <u>(266,277)</u>          |
| Less: Total Accumulated Depreciation        | <u>(1,842,873)</u>           | <u>(3,452)</u>   | <u>0</u>         | <u>(1,846,325)</u>        |
| Land  | <u>210,226</u>               | <u>0</u>         | <u>0</u>         | <u>210,226</u>            |
| Governmental Activities Capital Assets, Net | <u>\$257,911</u>             | <u>\$27,960</u>  | <u>\$ 0</u>      | <u>\$285,871</u>          |

The District holds a piece of property that was purchased back in January 2018. The cost was \$210,226. The cost includes the purchase of the land, demolition of the building and real estate taxes required to be paid as part of the purchase. It is being held for future development. In 2024, the District purchased non-bondable assets for \$31,412 that were required to be capitalized in accordance with GAAP. The purchase included a chest compression system, a Motorola radio and mount and gear lockers. Depreciation expense of \$3,452 was charged to governmental activities as part of its cost of operations in 2024.

**NOTE 4 – ACCRUED EXPENSES**

Accrued expenses include professional fees and EMS billing service fees that were incurred for the year ended December 31, 2024 but were not paid by that date.

**NOTE 5 – PENSION OBLIGATIONS**

**Public Employees' Retirement System (PERS)**

Plan Description

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

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

# PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

## NOTE 5 – PENSION OBLIGATIONS (CONTINUED)

### Public Employees' Retirement System (PERS) (continued)

#### Plan Description (continued)

The following represents the membership tiers for PERS:

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

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

#### Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the New Jersey Public Employees' Retirement System PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows and inflows of resources and collective pension expense. The employer allocation percentages presented and applied are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2023 through June 30, 2024. The employer allocation percentages have been rounded for presentation purposes; therefore amounts may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

#### Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (continued)**

Contributions (continued)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19,P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

| <b><u>Year</u></b><br><b><u>Funding</u></b> | <b><u>Pension</u></b><br><b><u>Cost (APC)</u></b> | <b><u>% of APC</u></b><br><b><u>Contributed</u></b> | <b><u>Net Pension</u></b><br><b><u>Obligation</u></b> |
|---|---|---|---|
| 12/31/24                                    | \$ 19,206   | 100%  | \$ 186,387  |
| 12/31/23                                    | \$ 27,092   | 100%  | \$ 208,142  |
| 12/31/22                                    | \$ 24,323   | 100%  | \$ 324,219  |

**Components of Net Pension Liability**

At December 31, 2024, the District reported a liability of \$186,387 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District’s proportion of the net pension liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2024. The District’s proportion measured as of June 30, 2024, was 0.00137169980%, which was a decrease of 0.0000653079% from its proportion of 0.00143700770% measured as of June 30, 2023.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (continued)**

Components of Net Pension Liability (continued)

|  | <u>PERS Collective balances at December 31, 2024 and 2023</u> |                 |
|--|---|-----------------|
|  | <u>12/31/24</u>   | <u>12/31/23</u> |
| Actuarial valuation date                   | July 1, 2023  | July 1, 2022    |
| Deferred Outflows of Resources             | \$ 18,948   | \$ 80,324       |
| Deferred Inflows of Resources              | \$ 93,183   | \$ 112,682      |
| Net Pension Liability (NPL)                | \$ 186,387  | \$ 208,142      |
| District's portion of the Plan's total NPL | 0.00137169980%  | 0.00143700770%  |

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended December 31, 2024, the District recognized pension expense of \$19,581. On December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Changes of assumptions  | \$ 232  | \$ 2,121                                     |
| Net difference between expected and actual experience   | 3,734   | 496  |
| Net difference between projected and actual earnings on pension plan investments                              | 0   | 8,642  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 14,982  | 81,924                                       |
| Total   | <u>\$ 18,948</u>                                  | <u>\$ 93,183</u>                             |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (continued)**

Pension Expense and Deferred Outflows/Inflows of Resources (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended</u><br><u>June 30:</u> | <u>PERS</u>        |
|--------------------------------------|--------------------|
| 2025                                 | \$ 13,478          |
| 2026                                 | (28,183)           |
| 2027                                 | (23,362)           |
| 2028                                 | (28,832)           |
| 2029                                 | (7,074)            |
| Thereafter                           | <u>(260)</u>       |
|                                      | <u>\$ (74,235)</u> |

Actuarial Assumptions

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

|                           |                           |
|---------------------------|---------------------------|
| Measurement date          | June 30, 2024             |
| Actuarial valuation date  | July 1, 2023              |
| Investment rate of return | 7.00%                     |
| Salary increases:         | 2.75 – 6.55%              |
|                           | based on years of service |
| Inflation rate:           |                           |
| Price                     | 2.75%                     |
| Wage                      | 3.25%                     |

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.

# PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

## NOTE 5 – PENSION OBLIGATIONS (CONTINUED)

### Public Employees' Retirement System (PERS) (continued)

#### Actuarial Assumptions (continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

#### Long-Term Expected Rate of Return

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

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

**Public Employees’ Retirement System (PERS) (continued)**

Discount Rate

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

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

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

|   | <u>At 1%</u><br><u>decrease</u><br><u>(6.00%)</u> | <u>At current</u><br><u>discount rate</u><br><u>(7.00%)</u> | <u>At 1%</u><br><u>increase</u><br><u>(8.00%)</u> |
|---|---|---|---|
| District's proportionate share of the net pension liability | \$ 249,747  | \$186,387   | \$135,372   |

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

Plan Description

The State of New Jersey, Police and Firemen’s Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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

# PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1

Notes to the Financial Statements

December 31, 2024

## NOTE 5 – PENSION OBLIGATIONS (CONTINUED)

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

#### Plan Description (continued)

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u>   |
|-------------|---|
| 1           | Members who were enrolled prior to May 22, 2010   |
| 2           | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3           | Members who were eligible to enroll on or after June 28, 2011                           |

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

#### Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the New Jersey Police and Firemen’s Retirement System (PFRS) to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer and nonemployer allocation percentages presented and applied are based on the ratio of the contributions of an individual employer to the total contributions to PFRS during the measurement period July 1, 2023 through June 30, 2024. The employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedules may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

#### Special Funding Situation

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

Special Funding Situation (continued)

portion of the non-employer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount less than the actuarial determined amount.

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

**Three-Year Trend Information for PFRS**

| <u>Year</u><br><u>Funding</u> | <u>Pension</u><br><u>Cost (APC)</u> | <u>% of APC</u><br><u>Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
|-------------------------------|-------------------------------------|---------------------------------------|---|
| 12/31/24                      | \$ 227,924                          | 100%                                  | \$ 1,712,806                            |
| 12/31/23                      | \$ 224,322                          | 100%                                  | \$ 1,891,737                            |
| 12/31/22                      | \$ 213,397                          | 100%                                  | \$ 1,974,290                            |

Components of Net Pension Liability

At December 31, 2024, the District reported a liability of \$1,712,806 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District’s proportion of the net pension liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2024. The District’s proportion measured as of June 30, 2024, was 0.01658636% which was a decrease of 0.0005353200% from its proportion of 0.01712168000% which was measured as of June 30, 2023.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

Components of Net Pension Liability (continued)

|  | <u>PFRS Collective balances at December 31, 2024 and 2023</u> |                 |
|--|---|-----------------|
|  | <u>12/31/24</u>   | <u>12/31/23</u> |
| Actuarial valuation date                   | July 1, 2023  | July 1, 2022    |
| Deferred Outflows of Resources             | \$ 170,718  | \$ 308,317      |
| Deferred Inflows of Resources              | \$ 322,450  | \$ 465,081      |
| Net Pension Liability (NPL)                | \$ 1,712,806  | \$ 1,891,737    |
| District's portion of the Plan's total NPL | 0.01658636000%  | 0.01712168000%  |

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended December 31, 2024, the District recognized pension recovery of \$182,458. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Changes of assumptions  | \$ 2,708                                      | \$ 50,302                                    |
| Net difference between expected and actual experience   | 107,905                                       | 58,637                                       |
| Net difference between projected and actual earnings on pension plan investments                              | 0   | 13,406                                       |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 60,105  | 200,105                                      |
| Total   | <u>\$ 170,718</u>                             | <u>\$ 322,450</u>                            |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

Pension Expense and Deferred Outflows/Inflows of Resources (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended</u><br><u>June 30:</u> | <u>PFRS</u>         |
|--------------------------------------|---------------------|
| 2025                                 | \$ (60,671)         |
| 2026                                 | (58,905)            |
| 2027                                 | 10,336              |
| 2028                                 | (32,764)            |
| 2029                                 | (13,326)            |
| Thereafter                           | 3,599               |
|                                      | <u>\$ (151,732)</u> |

Special Funding Situation – State’s Proportionate Share

Additionally, the State’s proportionate share of the net pension liability attributable to the District is \$337,676 as of December 31, 2024. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The State’s proportion of the net pension liability associated with the District was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2024, was 0.01658636% which was a decrease of 0.0005353200% from its proportion of 0.01712168000% which was measured as of June 30, 2023, which is the same proportion as the District’s.

|  |                    |
|--|--------------------|
| District’s Proportionate Share of the Net Pension Liability                              | \$1,712,806        |
| State’s Proportionate Share of the Net Pension Liability<br>Associated with the District | <u>337,626</u>     |
| Total Net Pension Liability  | <u>\$2,050,482</u> |

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by using an actuarial valuation date as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

|                           |                           |
|---------------------------|---------------------------|
| Measurement date          | June 30, 2024             |
| Actuarial valuation date  | July 1, 2023              |
| Investment rate of return | 7.00%                     |
| Salary increases:         |                           |
| Through                   | All future years          |
|                           | 3.25 – 16.25%             |
|                           | based on years of service |
| Inflation rate:           |                           |
| Price                     | 2.75%                     |
| Wage                      | 3.25%                     |

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long-Term Expected Rate of Return**

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

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

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| U.S. Large Cap Equity             | 24.00%                   | 6.90%   |
| U.S. Small/Mid Cap Equity         | 4.00%                    | 7.40%   |
| Non-U.S. Devel. Large-Cap Equity  | 9.50%                    | 6.70%   |
| Non-U.S. Devel Small-Cap Equity   | 2.00%                    | 7.50%   |
| Emerging Markets Large-Cap Equity | 6.00%                    | 9.60%   |
| Emerging Markets Small-Cap Equity | 1.50%                    | 9.60%   |
| U.S. Treasury Bonds               | 7.00%                    | 4.10%   |
| U.S. Corporate Bonds              | 5.00%                    | 5.90%   |
| U.S. Mortgage-Backed Securities   | 5.00%                    | 4.40%   |
| Global Multisector Fixed Income   | 6.00%                    | 6.50%   |
| Cash                              | 2.00%                    | 3.40%   |
| Real Estate Core                  | 3.00%                    | 5.10%   |
| Real Estate Non-Core              | 4.00%                    | 6.50%   |
| Infrastructure                    | 3.00%                    | 7.00%   |
| Private Debt/Credit               | 8.00%                    | 9.10%   |
| Private Equity                    | <u>10.00%</u>            | 10.10%  |
| Total                             | <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 plan member contributions will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 5 – PENSION OBLIGATIONS (CONTINUED)**

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

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

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

|   | <u>At 1%<br/>decrease<br/>(6.00%)</u> | <u>At current<br/>discount rate<br/>(7.00%)</u> | <u>At 1%<br/>increase<br/>(8.00%)</u> |
|---|---------------------------------------|---|---------------------------------------|
| District's proportionate share of the net pension liability | \$ 2,929,684                          | \$ 2,050,483                                    | \$1,318,301                           |

Deferred Compensation Plan

The District also provides a deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986, as amended, which was approved by the State of New Jersey, Department of Community Affairs. The purpose of this Plan is to provide an optional benefit to employees whereby a designated amount of the participant’s compensation is withheld each month from his paycheck and is then invested in the plan according to the investments the employee selected. An employee becomes a participant when he has executed and entered into an agreement with the employer. A participant must agree to defer a minimum of twenty dollars per payroll period or such greater amount as specified by the employee in his agreement. For 2024, the maximum amount deferred could not exceed the lesser of \$23,000 or 100% of normal compensation. There was a catch-up contribution of \$7,500 allowed for those individuals who were age 50 and over. The agent providing administrative services for the plan is AXA Equitable Life Insurance Company.

**NOTE 6 – LONG-TERM LIABILITIES ASSOCIATED WITH PENSIONS AND OPEB**

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

|                                   | <u>Balance<br/>1/1/24</u> | <u>Accrued/<br/>Increases</u> | <u>Retired/<br/>Decreases</u> | <u>Balance 12/31/24</u> | <u>Due within<br/>one year</u> |
|-----------------------------------|---------------------------|-------------------------------|-------------------------------|-------------------------|--------------------------------|
| Net pension liability – PFRS/PERS | \$2,099,879               | \$ 0                          | \$200,686                     | \$1,899,193             | \$ 0                           |
| Net OPEB liability                | <u>0</u>                  | <u>2,449,644</u>              | <u>0</u>                      | <u>2,449,644</u>        | <u>0</u>                       |
| Total long-term liabilities       | <u>\$2,099,879</u>        | <u>\$2,449,644</u>            | <u>\$200,686</u>              | <u>\$4,348,837</u>      | <u>\$ 0</u>                    |

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 7 – GRANTS**

#### New Jersey Supplemental Fire Services Grant

Annually, the Supplemental Fire Services Program (SFSP) awards a grant to the Fire District for volunteer fire services. By acceptance of the grant, the Fire District agrees to all obligations and responsibilities pursuant to the SFSP as provided in Ch. 295, P.L., 1985.

The funds are utilized for the purchase of items as defined in compliance with state statutes. The grant was budgeted for \$2,140 for the year ended December 31, 2024. The District received and expended the grant in 2024.

#### NJDCA – American Rescue Plan Firefighter Grant

In November 2024, the District was awarded an American Rescue Plan Firefighter Grant to purchase twenty-five (27) Scott 4500PSI carbon wrapped SCBA bottles. The total grant was \$45,000.

The funds were utilized in accordance with the grant by December 31, 2024.

### **NOTE 8 – FIRE SUPPRESSION SERVICES CONTRACT**

#### Fire suppression services

The fire safety of the Township of Plumsted is administered through a fire district organized, operated and funded pursuant to NJSA 40A:14-70 et seq.

The Fire Commissioners, District No. 1, Plumsted Township are elected members and provide fire support to the Volunteers to District No. 1, Plumsted Township (also known as the New Egypt Volunteer Fire Company). The District has an agreement with the fire company for the volunteers to provide fire services on an annual basis. The District paid the volunteer fire company \$108,000 in 2024 for these services.

### **NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

#### Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability and surety bonds.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS**

#### **State Health Benefit Local Government Retired Employees Plan**

##### Plan Description

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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. 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 schedules may result in immaterial differences.

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The District is an employer that does not have a special funding situation for the year ended December 31, 2024.

As of December 31, 2024, the State's proportionate share of the net OPEB liability attributable to the District was .013681% of the total proportionate share of \$17,905,445,505 or \$2,449,644. The State of New Jersey's OPEB expense (revenue) related to the District was \$0.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan, for the years ending December 31, 2024 and 2023 is as follows:

| Actuarial valuation date  | <u>12/31/24</u><br>July 1, 2023 rolled<br>forward to June 30,<br>2024 | <u>12/31/23</u><br><br>Non-participating |
|---|---|--|
| Total OPEB liability  | \$ 17,748,257,548   |  |
| Plan fiduciary net position   | <u>(157,187,957)</u>  |  |
| Net OPEB liability  | <u>\$ 17,905,445,505</u>  |  |
| Plan fiduciary net position as a<br>percentage of the total OPEB<br>liability | .89%  |  |
| District's portion of the Plan's total Net<br>OPEB liability                  | 0.0136810000%   |  |
| Total OPEB liability - District   | \$ 2,428,139  |  |
| Plan fiduciary net position - District  | <u>(21,505)</u>   |  |
| Net OPEB liability - District   | <u>\$ 2,449,644</u>   |  |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

Net OPEB Liability (continued)

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

Salary increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years

2.75% to 6.55%  
based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years

3.25% to 16.25%  
based on years of service

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

***Pre-retirement Healthy Mortality***

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

***Post-retirement Healthy Mortality***

Post-retirement mortality rates for Chapter 330 retirees were based on the Pub-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 projection scale. Post-retirement mortality rates for other retirees is based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 projection scale.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

#### **State Health Benefit Local Government Retired Employees Plan (continued)**

##### **Net OPEB Liability (continued)**

##### ***Disabled Retiree Mortality***

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

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

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

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

##### **Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.5% 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 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%

##### **Discount Rate**

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

**Sensitivity of the District’s proportionate share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net OPEB liability as of June 30, 2024 calculated using the discount rate as disclosed above, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|  | <u>At 1% decrease</u><br><u>(2.93%)</u> | <u>At current</u><br><u>discount rate</u><br><u>(3.93%)</u> | <u>At 1% increase</u><br><u>(4.93%)</u> |
|--|---|---|---|
| District's proportionate share of the State of New Jersey’s net OPEB liability | \$ 2,853,571                            | \$ 2,449,644  | \$ 2,126,134                            |
| State of New Jersey’s total net OPEB liability                                 | \$20,857,914,273                        | \$17,905,445,505  | \$15,540,780,410                        |

**Sensitivity of the District’s proportionate share of the Net OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the District’s proportionate share of the net OPEB liability as of June 30, 2024 calculated using the healthcare trend rate as disclosed above, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**Sensitivity of the District’s proportionate share of the Net OPEB Liability to Changes in the Healthcare Trend Rate (continued)**

|  | <u>At 1% decrease</u> | <u>Healthcare cost</u><br><u>trend rate</u> | <u>At 1% increase</u> |
|--|-----------------------|---|-----------------------|
| District's proportionate share of the State of New Jersey’s net OPEB liability | \$ 2,071,899          | \$ 2,449,644                                | \$ 2,935,318          |
| State of New Jersey’s total net OPEB liability                                 | \$ 15,144,352,142     | \$ 17,905,445,505                           | \$ 21,455,435,620     |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

Collective Deferred Outflows/Deferred Inflows of Resources

For the year ended December 31, 2024, the District recognized OPEB expense of \$266,972. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of<br/>Resources</u> | <u>Deferred<br/>Inflows<br/>of<br/>Resources</u> |
|---|---|--|
| Changes of assumptions  | \$ 409,534  | \$ 406,625                                       |
| Net difference between expected and actual experience                         | 124,057   | 415,054  |
| Net difference between projected and actual earnings on OPEB plan investments | 0   | 1,109  |
| Changes in proportion – employer specific                                     | <u>2,471,869</u>                                  | <u>0</u>   |
| Total   | <u>\$3,005,460</u>                                | <u>\$ 822,788</u>                                |

Collective Deferred Outflows/Deferred Inflows of Resources (continued)

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

| <u>Year Ended<br/>June 30:</u> | <u>OPEB</u>        |
|--------------------------------|--------------------|
| 2025                           | \$ 183,693         |
| 2026                           | 218,904            |
| 2027                           | 270,477            |
| 2028                           | 250,149            |
| 2029                           | 312,530            |
| Thereafter                     | <u>946,918</u>     |
|                                | <u>\$2,182,672</u> |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Notes to the Financial Statements  
December 31, 2024

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**State Health Benefit Local Government Retired Employees Plan (continued)**

OPEB Expense

The components of allocable OPEB expense for the year ending June 30, 2024 are as follows:

|  | State of New<br>Jersey's OPEB<br>expense | District's<br>proportionate<br>share<br>(.013681%)<br>of<br>the State of<br>New Jersey's<br>OPEB<br>expense |
|--|--|---|
| Service cost   | \$ 545,086,159                           | \$ 74,573   |
| Interest on total OPEB liability   | 554,448,470                              | 75,854  |
| Expected investment return   | 5,026,265                                | 688   |
| Administrative expense   | 11,119,284                               | 1,521   |
| Changes of benefit terms   | 107,670,542                              | 14,730  |
| Current period recognition (amortization) of deferred<br>inflows/outflows of resources:  |  |   |
| Differences between expected and actual experience                                       | (847,755,885)                            | (115,981)   |
| Changes of assumptions   | (583,228,782)                            | (79,792)  |
| Differences between projected and actual investment earnings on<br>OPEB plan investments | <u>(1,033,536)</u>                       | <u>(141)</u>  |
| Total OPEB expense   | <u><u>\$(208,667,483)</u></u>            | <u>(28,548)</u>   |
| Changes in proportion – employer specific  |  | <u>358,762</u>  |
| Total OPEB expense with employer specific liability                                      |  | <u><u>\$ 330,214</u></u>  |

Post-employment Sick Pay Compensation

Each employee receives 10 days of sick time per year. Unused sick time may be accumulated toward post-retirement payment. The calculation of accumulated time is based on an equation determined by Plumsted Township Fire Commissioners District No.1. It is based upon number of years already worked and approximate number of years to retirement for each employee who has accumulated sick time. An hourly rate is determined based upon current employment contracts and applied toward the unused sick time. The result is divided in half to determine the amount of the final payment. The final payment cannot exceed \$15,000 for all employees. Based on accumulated sick days as of December 31, 2024, the sick pay reserved for employees under the terms of the contract at death or retirement was \$45,386.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

### **NOTE 11 – DATE OF MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 30, 2025, which is the date the financial statements were available to be issued. For subsequent events identified and disclosed within the financial statements see Note 16.

### **NOTE 12 – UNASSIGNED AND DESIGNATED FUND BALANCE – GOVERNMENT FUNDS**

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The District’s unassigned fund balance is summarized as follows:

**General Fund** – As of December 31, 2024, the total unassigned fund balance was \$424,999. Included in this balance is \$21,000 of board designated funds for future repairs to the ambulances. Of the remaining \$403,999, \$190,850 is expected to be utilized in the 2025 budget for 2025 operational expenses.

### **NOTE 13 – RESTRICTED FUND BALANCE – GOVERNMENT FUNDS**

As stated in Note 1, the restricted fund balance classification represents fund balance that has been restricted to specific purposes. The District’s restricted fund balance is summarized as follows:

**Capital Projects Fund** - As of December 31, 2024, \$459,185 of restricted fund balance was designated for future capital purchases.

The restricted fund balance of \$1,100,000 is set aside to be utilized in 2025 when the pumper truck is completed and ready for use.

### **NOTE 14 – DEFICIT IN UNRESTRICTED NET POSITION**

As reflected on the Statement of Net Position, a deficit in unrestricted net position of (\$1,115,227) existed as of December 31, 2024. The primary cause of this deficit was the recording of the long-term liability for pensions and OPEB health benefits. In accordance with full accrual accounting, which is the basis of accounting for the Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget, pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position does not indicate that the District is facing financial difficulties.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to the Financial Statements

December 31, 2024

**NOTE 15 – LITIGATION**

A Captain/Fire Marshal, who retired on April 1, 2024, has threatened to file a grievance for an additional sick leave payout exceeding the \$15,000 already issued by the District. This demand, estimated at \$12,000, surpasses the \$5,000 threshold for potential liability. The District's attorney plans to vigorously defend against the grievance. Meanwhile, the New Jersey Local Finance Board advised it intended to address retiree' sick leave payout by New Jersey public entities via the usual notification process during the summer of 2024. The Local Finance Board has not, as yet, addressed this issue. Said notification may directly impact this matter. The union representative has agreed to not file a prospective grievance against the Fire District with regard to this matter, pending publication and review of the above, anticipated notice from the Local Finance Board.

REQUIRED SUPPLEMENTARY INFORMATION

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP Budgetary Basis) - General Fund

For the Year Ended December 31, 2024

|  | <u>Budgeted Amounts</u> |              |               | Variance with                                 |
|--|-------------------------|--------------|---------------|---|
|  | <u>Original</u>         | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u><br>Positive<br>(Negative) |
| <b><u>Revenues:</u></b>                        |                         |              |               |   |
| Taxes  | \$ 2,717,741            | \$ 2,717,741 | \$2,717,741   | \$ 0  |
| Fund balance utilized - Unrestricted           | 485,133                 | 485,133      | 397,200       | (87,933)                                      |
| Fund balance utilized - Restricted             | 650,000                 | 650,000      | 650,000       | 0   |
| EMS revenue                                    | 262,000                 | 262,000      | 291,774       | 29,774  |
| Fire safety revenue                            | 37,100                  | 37,100       | 51,590        | 14,490  |
| Grant - American Rescue Plan Firefighter Grant | 0                       | 0            | 45,000        | 45,000  |
| Miscellaneous income                           | 0                       | 0            | 1,437         | 1,437   |
| Supplemental fire services grant               | 2,140                   | 2,140        | 2,140         | 0   |
|  |                         |              |               |   |
| Total Revenues                                 | 4,154,114               | 4,154,114    | 4,156,882     | 2,768   |
| <b><u>Expenditures:</u></b>                    |                         |              |               |   |
| General Government:                            |                         |              |               |   |
| Salaries and wages                             | \$ 1,133,948            | \$ 1,282,897 | \$1,282,878   | \$ 19   |
| Fringe benefits                                | 729,629                 | 691,352      | 688,654       | 2,698   |
| Total Operations - Personnel                   | 1,863,577               | 1,974,249    | 1,971,532     | 2,717   |
| Administration:                                |                         |              |               |   |
| Advertising and election costs                 | 5,500                   | 509          | 509           | 0   |
| Public relations                               | 500                     | 0            | 0             | 0   |
| Commissioners                                  | 6,000                   | 6,000        | 6,000         | 0   |
| Contingency expenses                           | 5,000                   | 0            | 0             | 0   |
| Insurance                                      | 43,000                  | 43,676       | 43,676        | 0   |
| Office expenses                                | 6,000                   | 5,978        | 5,978         | 0   |
| Professional services                          | 73,500                  | 77,698       | 77,698        | 0   |
| Total Administration                           | 139,500                 | 133,861      | 133,861       | 0   |
| Operations:                                    |                         |              |               |   |
| EMS operations                                 | 154,306                 | 124,787      | 126,798       | (2,011)                                       |
| Fire marshall and prevention operations        | 24,629                  | 16,143       | 16,140        | 3   |
| Fire protection services                       | 376,819                 | 309,791      | 313,268       | (3,477)                                       |
| Firefighter Grant - SCBA's                     | 45,283                  | 45,283       | 45,283        | 0   |
| Total Operations                               | 601,037                 | 496,004      | 501,489       | (5,485)                                       |
| Total General Government                       | 2,604,114               | 2,604,114    | 2,606,882     | (2,768)                                       |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP Budgetary Basis) - General Fund

For the Year Ended December 31, 2024

|                               | <u>Budgeted Amounts</u> |                  |                  | Variance with                                 |
|-------------------------------|-------------------------|------------------|------------------|---|
|                               | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    | <u>Final Budget</u><br>Positive<br>(Negative) |
| Capital Outlay                |                         |                  |                  |   |
| Reserve for future capital    | 450,000                 | 450,000          | 450,000          | 0   |
| Capital purchase - fire truck | 1,100,000               | 1,100,000        | 1,100,000        | 0   |
| Total Capital Outlay          | <u>1,550,000</u>        | <u>1,550,000</u> | <u>1,550,000</u> | <u>0</u>                                      |
| Total Expenditures            | <u>4,154,114</u>        | <u>4,154,114</u> | <u>4,156,882</u> | <u>(2,768)</u>                                |
| Excess of Revenues            |                         |                  |                  |   |
| Over Expenditures             | <u>\$ 0</u>             | <u>\$ 0</u>      | <u>\$ 0</u>      | <u>\$ 0</u>                                   |

Reconciliation of Budget Basis to GAAP Basis:

|   |                   |
|---|-------------------|
| Excess of Revenues Over Expenditures - Budget Basis   | \$ 0              |
| Depreciation is not an outflow of a budgetary resource but is an expenditure for financial reporting purposes                                   | (3,452)           |
| Fund balance utilized is an inflow of resources for budgetary purposes but not for financial reporting purposes                                 | (397,200)         |
| Use of the restricted capital fund is an inflow of resources for budgetary purposes but not for financial reporting purposes                    | (650,000)         |
| Reserve for future capital outlay is an outflow of a budgetary resource but is not an expenditure for financial reporting purposes              | 450,000           |
| Payment for nonbondable EMS equipment is an outflow of a budgetary resource but is a capital expenditure for financial reporting purposes       | 31,412            |
| Reserve for capital purchase is an outflow of a budgetary resource but is not an expenditure for financial reporting purposes                   | 1,100,000         |
| OPEB expense reported in accordance with GASB 75 is an outflow for financial reporting purposes but is not an outflow of a budgetary resource   | (266,972)         |
| Pension recovery reported in accordance with GASB 68 is an inflow for financial reporting purposes but is not an inflow of a budgetary resource | <u>162,877</u>    |
| Excess of Revenues Over Expenditures - GAAP Basis   | <u>\$ 426,665</u> |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years

|   | 2024           | 2023           | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| District's proportion of the net pension liability (asset)  | 0.00137169980% | 0.00143700770% | 0.00214837180% | 0.00207690740% | 0.00212011600% | 0.00076240960% | 0.00077150680% | 0.00074547180% | 0.00071522990% | 0.00065276170% |
| District's proportionate share of the net pension liability (asset) \$  | 186,387        | \$ 208,142     | \$ 324,219     | \$ 246,041     | \$ 345,735     | \$ 137,375     | \$ 151,906     | \$ 173,534     | \$ 211,831     | \$ 146,532     |
| District's covered-employee payroll \$  | 119,176        | \$ 111,292     | \$ 125,504     | \$ 158,336     | \$ 152,204     | \$ 154,707     | \$ 103,260     | \$ 54,180      | \$ 51,498      | \$ 49,108      |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 156.40%        | 187.02%        | 258.33%        | 155.39%        | 227.15%        | 88.80%         | 147.11%        | 320.29%        | 411.34%        | 298.39%        |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of the District's Proportionate Share of the Net Pension Liability

Police and Firemen's Retirement System (PFRS)

Last Ten Fiscal Years

|   | 2024           | 2023           | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| District's proportion of the net pension liability (asset)  | 0.01658636000% | 0.01712168000% | 0.01724820000% | 0.01831004150% | 0.01951966430% | 0.01704357930% | 0.01873917040% | 0.01718585630% | 0.01720753280% | 0.01607404370% |
| District's proportionate share of the net pension liability (asset) \$  | 1,712,806      | \$ 1,891,737   | \$ 1,974,290   | \$ 1,338,309   | \$ 2,522,198   | \$ 2,085,762   | \$ 2,535,719   | \$ 2,653,164   | \$ 3,287,079   | \$ 2,677,375   |
| District's covered-employee payroll \$  | 676,623        | \$ 653,230     | \$ 616,609     | \$ 617,711     | \$ 642,629     | \$ 573,890     | \$ 597,015     | \$ 602,908     | \$ 575,692     | \$ 534,472     |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 253.14%        | 289.60%        | 320.19%        | 216.66%        | 392.48%        | 363.44%        | 424.73%        | 440.06%        | 570.98%        | 500.94%        |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of District Contributions  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years

|   | <u>2024</u>   | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|---|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions                                  | \$ 19,206     | \$ 27,092     | \$ 24,323     | \$ 23,193     | \$ 7,416     | \$ 7,674     | \$ 6,906     | \$ 6,354     | \$ 5,612     | \$ 4,924     |
| Contributions in relation to the contractually required contributions | <u>19,206</u> | <u>27,092</u> | <u>24,323</u> | <u>23,193</u> | <u>7,416</u> | <u>7,674</u> | <u>6,906</u> | <u>6,354</u> | <u>5,612</u> | <u>4,924</u> |
|   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>   | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  |
| District's covered-employee payroll                                   | \$ 119,176    | \$ 111,292    | \$ 125,504    | \$ 158,336    | \$ 152,204   | \$ 154,707   | \$ 103,260   | \$ 54,180    | \$ 51,498    | \$ 49,108    |
| Contributions as a percentage of its covered-employee payroll         | 16.12%        | 24.34%        | 19.38%        | 14.65%        | 4.87%        | 4.96%        | 6.69%        | 11.73%       | 10.90%       | 10.03%       |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of District Contributions  
Police and Firemen's Retirement System (PFRS)  
Last Ten Fiscal Years

|   | <u>2024</u>    | <u>2023</u>    | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contributions                                  | \$ 227,924     | \$ 224,322     | \$ 213,397     | \$ 218,068     | \$ 172,159     | \$ 183,203     | \$ 152,098     | \$ 140,300     | \$ 130,658     | \$ 124,330     |
| Contributions in relation to the contractually required contributions | <u>227,924</u> | <u>224,322</u> | <u>213,397</u> | <u>218,068</u> | <u>172,159</u> | <u>183,203</u> | <u>152,098</u> | <u>140,300</u> | <u>130,658</u> | <u>124,330</u> |
|   | <u>\$ 0</u>    |
| District's covered-employee payroll                                   | \$ 676,623     | \$ 653,230     | \$ 616,609     | \$ 617,711     | \$ 642,629     | \$ 573,890     | \$ 597,015     | \$ 602,908     | \$ 575,692     | \$ 534,472     |
| Contributions as a percentage of its covered-employee payroll         | 33.69%         | 34.34%         | 34.61%         | 35.30%         | 26.79%         | 31.92%         | 25.48%         | 23.27%         | 22.70%         | 23.26%         |

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of the District's Proportionate Share of the Net OPEB Liability  
State Health Benefits Local Government Retired Employees Plan  
Last Ten Fiscal Years

|  | <u>2024</u>  | <u>2023</u> |
|--|--------------|-------------|
| District's proportion of the net OPEB liability (asset)  | 0.013681%    | 0.000000%   |
| District's proportionate share of the net OPEB liability (asset)   | \$ 2,449,644 | \$ 0        |
| District's covered-employee payroll  | \$ 795,799   | \$ 0        |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 307.82%      | 0.00%       |
| Plan fiduciary net position as a percentage of the total OPEB liability  | 0.89%        | 0.00%       |

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Schedule of District Contributions

State Health Benefits Local Government Retired Employees Plan

Last Ten Fiscal Years

|   | 2024       | 2023  |
|---|------------|-------|
| Pay-as-you-go monthly employer contributions billed - retired employees | \$ 30,379  | \$ 0  |
| Pay-as-you-go monthly employer contributions paid - retired employees   | 30,379     | 0     |
| Contribution deficiency (excess)  | \$ 0       | \$ 0  |
| District's covered-employee payroll                                     | \$ 795,799 | \$ 0  |
| Contributions as a percentage of its covered-employee payroll           | 3.82%      | 0.00% |

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

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to Required Supplementary Information

For the Year Ended December 31, 2024

### **Budgets and Budgetary Controls**

The District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et. al.

The fire commissioners must introduce and approve the annual budget no later than 25 days prior to the third Saturday in February, with the adopted budget advertised at least seven days prior to the same date, regardless of when the annual fire district election is held. Upon introduction, the commissioners fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget. When the annual election is in November, the public no longer votes on approving the fire district's budget when it is within the tax levy guidelines issued by the NJ Department of Community Affairs.

Amendments may be made to the District budget in accordance with N.J.S.A. 40A:14-78.3.

Fire districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the District's financial statements. Each annual budget lapses at the end of the year.

### **Public Employees' Retirement System (PERS)**

#### **Basis of Presentation**

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated June 11, 2025. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

#### **Changes of Benefit Terms**

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.

#### **Changes of Assumptions**

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.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to Required Supplementary Information

For the Year Ended December 31, 2024

### **Public Employees' Retirement System (PERS)**

#### **Changes of Assumptions (continued)**

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

### **Police and Firemen's Retirement System (PFRS)**

#### **Basis of Presentation**

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 10, 2025. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

#### **Changes of Benefit Terms**

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

#### **Changes of Assumptions**

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to Required Supplementary Information

For the Year Ended December 31, 2024

### **State Health Benefit Local Government Retired Employees Plan (OPEB)**

#### **Basis of Presentation**

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated September 26, 2025. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

#### **General Information about the OPEB Plan**

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

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

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

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability.

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to Required Supplementary Information

For the Year Ended December 31, 2024

**State Health Benefit Local Government Retired Employees Plan (OPEB) (continued)**

Changes of Assumptions

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

Salary increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years

2.75% to 6.55%  
based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years

3.25% to 16.25%  
based on years of service

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

***Pre-retirement Healthy Mortality***

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

***Post-retirement Healthy Mortality***

Post-retirement mortality rates for Chapter 330 retirees were based on the Pub-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 projection scale. Post-retirement mortality rates for other retirees is based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 projection scale.

***Disabled Retiree Mortality***

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

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

Notes to Required Supplementary Information

For the Year Ended December 31, 2024

**State Health Benefit Local Government Retired Employees Plan (OPEB) (continued)**

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

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

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

OTHER SUPPLEMENTARY INFORMATION

**PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**  
Schedule of Supplemental Fire Services Grant Expenditure Report  
For the Year Ended December 31, 2024

REVENUE

State of New Jersey Supplemental Fire Services Grant \$ 2,140

Total revenue \$ 2,140

EXPENDITURES

Emergency equipment and fire gear \$ 2,140

Total expenditures \$ 2,140

GOVERNMENT AUDITING STANDARDS REPORTING



Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards*

To the Board of Fire Commissioners  
Plumsted Township Fire Commissioners District No. 1  
New Egypt, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities and each major fund of Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Plumsted Township Fire Commissioners District No. 1's basic financial statements and have issued our report thereon dated September 30, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plumsted Township Fire Commissioners District No. 1, in the County of Ocean, State of New Jersey's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be



material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether Plumsted Township Fire Commissioners District No. 1 in the County of Ocean, State of New Jersey's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Plumsted Township Fire Commissioners District No. 1 in a separate letter dated September 30, 2025.

### **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.

*DePietto & DePietto, LLC*

Holland, Pennsylvania  
September 30, 2025

## **PLUMSTED TOWNSHIP FIRE COMMISSIONERS DISTRICT No. 1**

General Comments and Recommendations

For the Year Ended December 31, 2024

This section identifies any material weaknesses and significant deficiencies in internal control and instances of non-compliance related to the December 31, 2024 financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Section I - Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Plumsted Township Fire Commissioners District No. 1.
2. There were no material weaknesses identified and there were no significant deficiencies reported relating to the audit of the financial statements as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. There were no instances of noncompliance or other matters reported relating to the audit of the financial statements as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

### **Section II – Financial Statement Findings – Current Year**

None

### **Section III – Financial Statement Findings - Current Year Status of Prior Year Findings**

None