

WOODBIDGE TOWNSHIP FIRE DISTRICT #7

Audit Report

For the Years Ended December 31, 2023 and 2022

BART & BART
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Woodbridge Township Fire District #7
Fords, NJ 08863

We have audited the combined financial statements of The Woodbridge Township Fire District #7, which comprise the statements of financial position as of December 31, 2023, and the related combined statements of activities, net position of the District's various funds for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Woodbridge Township Fire District #7 at December 31, 2023, and the changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Woodbridge Township Fire District #7, and to meet our 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls 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 Woodbridge Township Fire District #7's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with generally accepted 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 controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

Board of Fire Commissioners
Woodbridge Township Fire District #7

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Woodbridge Township Fire District #7'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Woodbridge Township Fire District #7's ability to continue as a going concern.

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.

Other Matters

Required Supplementary Information:

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 2 and 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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.

Board of Fire Commissioners
Woodbridge Township Fire District #7

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2024 on our consideration of the District'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 and should be considered in assessing the results of our audit.

A handwritten signature in blue ink, appearing to read 'Bart & Bart', is positioned above the firm's name.

Bart & Bart, CPA

Woodbridge NJ
September 19, 2024

BART & BART *Certified Public Accountants*

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Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Fire Commissioners
Woodbridge Township Fire District #7
Fords, NJ 08863

We have audited the financial statements of Woodbridge Township Fire District #7, Woodbridge Township, New Jersey, for the year ended December 31, 2023, and have issued our report thereon dated September 19, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 or corrected on a timely basis.

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

Board of Fire Commissioners
Woodbridge Township Fire District #7
Fords, NJ 08863

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants' 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the members of the District and its management and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Bart & Bart, CPA's

Woodbridge, NJ
September 19, 2024

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2023

Unaudited

This discussion and analysis of Woodbridge Township Fire District No. 7's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this 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.

Financial Highlights

Key financial highlights for 2023 as compared to 2022 are as follows:

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Total Assets and Deferred Outflow of Resources	\$ 4,883,333	\$ 5,395,663
Capital Assets – Net	<u>1,279,199</u>	<u>1,340,464</u>
Total Assets	<u>\$ 6,162,532</u>	<u>\$ 6,736,127</u>
Total Current Liabilities	871,882	1,132,478
Noncurrent Liabilities		
Net Defined Pension and OPEB Liability and Deferred Outflows of Resources	<u>9,895,851</u>	<u>10,077,308</u>
Total Liabilities, Reserves and Deferred Inflows of Resources	<u>10,767,733</u>	<u>11,139,786</u>
Net Position		
Restricted:		
Invested in Capital Assets	1,279,199	1,340,464
Unreserved (Deficit)	<u>(5,884,400)</u>	<u>(3,063,195)</u>
Net Position	<u>\$ (4,605,201)</u>	<u>\$ (4,403,659)</u>

Comparative Statement of Revenues, Expenses and Change in Net Position

There was an increase in Operating Revenues. The Revenue increased \$117,141 or 4.5% from the prior year due to an increase in the voter approved Tax Levy, as well as Appropriated Fund Balance.

Operating Expenses decreased \$29,769 from the prior year. Depreciation charged has increased by \$2,864.

Total Operating Revenues less Total Operating Expenses produced a surplus of \$456,239.

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2023

Unaudited

Comparative Statement of Revenues, Expenses and Change in Net Position (Continued)

Net Position as of December 31, 2023 decreased \$129,379 from (\$5,755,021) to (\$5,884,400), primarily as a result of pension and OPEB liability accruals required by the implementation of GASB 68 & 75.

The following table shows the available fund balance maintained by the district, net of the required pension accruals:

	<u>Year Ending December 31,</u>	
	<u>2023</u>	<u>2022</u>
Net Position	\$(5,884,400)	\$(5,744,123)
Less: Deferred Outflow of Resources	(3,009,416)	(3,243,738)
Add: Deferred Inflow of Resources	3,016,086	3,265,147
Net Pension & OPEB Liability	<u>6,879,765</u>	<u>6,742,161</u>
Available Fund Balance	<u>\$1,002,035</u>	<u>\$1,019,447</u>

Uniform Fire Safety Act revenues decreased \$5,470. Earnings on investments increased \$17,397 and miscellaneous income increased \$9,589.

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2023

Unaudited

Financial Highlights (Continued)

The following table shows the history of the past ten years property tax levies per \$100 of assessed valuations on property within the District:

<u>Fiscal Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
2022	\$304,416,900	\$2,671,328	.878
2021	304,133,700	2,449,502	.755
2020	304,643,400	2,262,939	.742
2019	299,373,100	2,203,883	.736
2018	297,692,800	2,136,139	.716
2017	289,049,000	2,096,259	.723
2016	287,698,400	2,029,398	.705
2015	284,899,400	1,936,617	.664
2014	284,894,500	1,893,824	.665
2013	286,574,600	1,847,330	.645
2012	298,900,000	1,791,758	.607

The District had \$3,429,029 in expenses, an increase of \$275,330. Administration costs decreased \$ 6,064. Costs of operations decreased \$69,692. Capital expenditures increased \$300,000. General revenues and fund balance were adequate to provide for these expenses.

For further information, contact Ms. Maria Bucsanszky, E.A., Accountant for the Board of Fire Commissioners, District #7, at 667 King Georges Rd, Fords, NJ 08863.

Woodbridge Township Fire District # 7**SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (NPL)
DETERMINED AS OF JUNE 30, 2023, PERS MEASUREMENT DATE**

Fiscal Year	District's Proportion	District's Proportion	District's Covered Payroll	District's Proportionate Share of NPL as a % of Covered Payroll Payroll
2023	0.0013%	\$ 624,837	\$ 319,727	195%
2022	0.0044%	673,043	319,386	210%
2021	0.0043%	520,486	317,782	163%
2020	0.0054%	894,401	315,587	283%
2019	0.0046%	842,216	303,444	275%
2018	0.00047%	928,241	318,579	291 %
2017	0.00042 %	981,515	305,303	321%
2016	0.00046 %	1,362,363	290,104	470%
2015	0.00045 %	1,028,805	316,228	325%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 56,240	\$ (8,794)	\$ 65,034	\$ 319,727	17,59%
2022	51,454	56,240	(4,786)	319,386	16,11%
2021	59,075	51,454	(7,621)	317,782	16,19%
2020	59,775	45,859	(14,116)	315,587	14.53%
2019	45,466	39,047	(6,419)	303,414	14.98%
2018	46,893	40,345	(6,638)	318,579	12%
2017	39,061	39,061	-	305,303	12%
2016	40,865	40,865	-	290,104	14.09%
2015	39,402	39,402	-	316,228	12.46%

The Pension Schedules are intended to show information for ten years. The State of New Jersey has issued four years of pension information to the District. Additional years' information will be displayed as it becomes available.

Woodbridge Township Fire District # 7**SCHEDULE OF PROPORTIONATE SHARE OF PFRS NET PENSION LIABILITY (NPL)
DETERMINED AS OF JUNE 30, 2023, PFRS MEASUREMENT DATE**

Fiscal Year	District's Proportion	District's Proportion	District's Covered Payroll	District's Proportionate Share of NPL as a % of Covered Payroll Payroll
2023	0.0253%	\$ 2,800,273	\$ 995,805	281%
2022	0.0238%	2,725,344	934,692	291%
2021	0.0216%	1,581,804	826,114	260%
2020	0.0197%	2,485,614	754,405	329%
2019	0.018%	2,128,145	672,674	316%
2018	0.017%	2,311,978	587,759	393%
2017	0.016%	2,570,515	551,601	466%
2016	0.018 %	3,496,698	564,506	619%
2015	0.018 %	3,012,432	572,668	526%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 309,659	\$ 356,354	\$(46,695)	\$ 995,805	31%
2022	303,677	85,870	(217,807)	934,692	32%
2021	214,905	252,223	(37,318)	826,114	26%
2020	214,905	175,649	39,256	754,405	23%
2019	190,117	175,649	14,468	672,674	28%
2018	167,308	147,360	19,948	587,750	28%
2017	147,360	147,360	-	551,601	27%
2016	149,247	149,247	-	564,506	26%
2015	147,009	147,009	-	572,688	25%

The Pension Schedules are intended to show information for ten years. The State of New Jersey has issued four years of pension information to the District. Additional years' information will be displayed as it becomes available.

Woodbridge Township Fire District # 7**SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY DETERMINED AS OF
JUNE 30, 2023, OPEB MEASUREMENT DATE**

Fiscal Year	District's Proportion	District's Proportion	District's Covered Payroll	District's Proportionate Share of NPL as a % of Covered Payroll Payroll
2023	0.0023%	\$ 3,454,655	\$1,021,815	338%
2022	0.00207%	3,343,774	934,692	357%
2021	0.00208%	3,751,684	826,114	454%
2020	0.0054%	894,401	754,405	283%
2019	0.0040%	5,450,804	672,674	217%
2018	0.0021%	3,328,060	587,750	296 %

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 315,210	\$ 315,210	\$ -	\$ 1,021,815	30.84 %
2022	273,295	273,295	-	934,692	34.20 %
2021	256,652	256,652	-	826,114	31.06 %
2020	226,175	226,175	-	754,405	29.98%
2019	212,203	212,203	-	672,674	12.68%
2018	235,094	235,094	-	587,750	11.56%

This Schedule is intended to show information for ten years. The State of New Jersey has issued three years of pension information to the District. Additional years' information will be displayed as it becomes available.

Woodbridge Township Fire District #7General FundComparative Statement of Net Position

<u>ASSETS</u>	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cash	\$ 1,843,178	\$ 2,149,136
Accounts Receivable	27,132	-
Prepaid Expense	<u>3,607</u>	<u>2,789</u>
Total Assets	1,867,587	2,151,925
Deferred Outflow of Resources		
Deferred Amount of Net Pension Liability	972,192	1,178,200
Deferred Amount of Net OPEB Liability	<u>2,037,224</u>	<u>2,065,538</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 4,883,333</u>	<u>\$ 5,395,663</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities and Reserves:		
Accounts Payable	44,155	28,214
Unearned Income	-	1,537
Reserve for Future Capital Outlays	827,727	1,102,727
Net Pension Liability	3,425,110	3,398,387
Net OPEB Liability	<u>3,454,655</u>	<u>3,343,774</u>
Total Liabilities and Reserves	7,751,647	7,874,639
Deferred Inflow of Resources:		
Net Pension Liability	537,097	762,105
Net OPEB Liability	<u>2,478,989</u>	<u>2,503,042</u>
Total Liabilities, Reserves and Deferred Inflows of Resources	<u>\$10,767,733</u>	<u>\$ 11,139,786</u>
Net Position:		
Unrestricted	<u>(5,884,400)</u>	<u>(5,744,123)</u>
Total Net Position	<u>(5,884,400)</u>	<u>(5,744,123)</u>
Total Liabilities, Reserves and Net Position	<u>\$ 4,883,333</u>	<u>\$ 5,395,663</u>

See accompanying accountant's reports and notes to financial statements.

EXHIBIT 2

Woodbridge Township Fire District #7Statement of Activities and Changes in Net Position
For the Year Ended December 31, 2023With Comparative Actual Amounts for the Period Ended December 31, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)	<u>Actual</u>
Revenues and Other Financing Sources:				
Miscellaneous Revenues:				
Uniform Fire Safety Act				
- Annual Registration Fees	\$ 33,908	\$ 35,212	\$ 1,304	\$ 40,682
Supplemental Fire Services Act	4,914	4,914	-	4,914
Earnings on Investments and Deposits	4,500	24,308	19,808	6,911
Dispatch Service Income	<u>567,441</u>	<u>567,441</u>	<u>-</u>	<u>557,852</u>
Total Miscellaneous Revenues	<u>610,763</u>	<u>631,875</u>	<u>21,112</u>	<u>610,359</u>
Fund Balance Appropriated	582,014	582,014	-	519,434
District Taxes	<u>2,671,379</u>	<u>2,671,379</u>	<u>-</u>	<u>2,554,238</u>
Total Revenues and Other Financing Sources	<u>\$ 3,864,156</u>	<u>\$ 3,885,268</u>	<u>\$ 21,112</u>	<u>\$3,684,031</u>
Expenditures:				
Current Operating				
Appropriations	\$ 3,817,156	\$ 3,082,701	\$ 734,455	\$ 3,112,470
Appropriations Offset with Revenue:				
Uniform Fire Safety Act	22,000	21,328	672	16,229
Capital Appropriations	<u>25,000</u>	<u>325,000</u>	<u>(300,000)</u>	<u>25,000</u>
Total Expenditures	<u>3,864,156</u>	<u>3,429,029</u>	<u>435,127</u>	<u>3,153,699</u>
Excess of Revenue over Expenditure	-	456,239	456,239	530,332
Less: Fund Balance Utilized	(582,014)	(582,014)	-	(519,434)
Transfer to Fixed Asset Account Group	<u>-</u>	<u>(14,502)</u>	<u>(14,502)</u>	<u>-</u>
Net Position, Beginning of Year	<u>(5,744,123)</u>	<u>(5,744,123)</u>	<u>-</u>	<u>(5,755,021)</u>
Net Position, End of Year	<u>\$ (6,326,137)</u>	<u>(\$5,884,400)</u>	<u>\$ 441,737</u>	<u>\$ (5,744,123)</u>

See accompanying accountant's reports and notes to financial statements.

Woodbridge Township Fire District #7

General Fund

Statement of Expenditures Compared to Budget

For the Year Ended December 31, 2023

With Coparative Actual Amounts for the Period Ended December 31, 2022

	2023		Variance	2022
	Budget	Actual	Favorable (Unfavorable)	Actual
Salaries and Wages	99,185	97,874	1,311	97,987
Election	4,000	2,310	1,690	1,449
Permits	100	-	100	-
Membership Dues	800	85	715	500
Office Expenses	3,200	2,152	1,048	2,163
Professional Services	78,820	59,510	19,310	64,475
Outside Service	8,000	7,005	995	8,399
Seminars	3,000	-	3,000	-
Advertising	3,000	690	2,310	717
	<u>200,105</u>	<u>169,626</u>	<u>30,479</u>	<u>175,690</u>
Salaries and Wages	1,666,689	1,422,148	244,541	1,462,881
Fringe Benefits	921,264	760,211	161,053	635,412
Insurance	135,999	133,320	2,679	157,543
Maintenance and Repair	255,000	129,214	125,786	209,384
Hydrant Services	301,763	223,100	78,663	270,039
Training and Education	17,000	13,174	3,826	10,401
Uniforms	40,000	20,571	19,429	22,459
Utilities	70,000	45,045	24,955	49,041
Other Outside Services	50,000	47,429	2,571	46,886
Mutual Services Agreement	6,000	6,000	-	6,000
Radio Agreements	75,052	75,038	14	75,038
LOSAP	43,284	22,782	20,502	21,232
Operating Materials	35,000	15,043	19,957	16,451
		-	-	-
Total Cost of Operations	<u>3,617,051</u>	<u>2,913,075</u>	<u>703,976</u>	<u>2,982,767</u>
Total Current Operating Exp	<u>3,817,156</u>	<u>3,082,701</u>	<u>734,455</u>	<u>3,112,470</u>
EXPENSES OFFSET WITH REVENUE				
Uniform Fire Safety Act,(PL 1983, Ch. 383): Other Expenses	22,000	21,328	672	16,229
Total Operating Appropriations	<u>3,839,156</u>	<u>3,104,029</u>	<u>735,127</u>	<u>3,128,699</u>
Reserve Future Capital Outlays	25,000	325,000	(300,000)	25,000
Total Capital Appropriations	<u>25,000</u>	<u>325,000</u>	<u>-</u>	<u>25,000</u>
Total Appropriations	<u>3,864,156</u>	<u>3,429,029</u>	<u>435,127</u>	<u>3,153,699</u>

See accompanying accountant's reports and notes to financial statements

EXHIBIT 4

Woodbridge Township Fire District #7
General Fixed Assets Account Group
Comparative Statement of Net Position
December 31, 2023 and 2022

<u>ASSET</u>	<u>2023</u>	<u>2022</u>
Building:		
Fire House	\$ 1,692,155	\$ 1,692,155
Equipment:		
Vehicles	1,089,677	1,089,677
Equipment	<u>558,029</u>	<u>517,885</u>
Total Assets	3,339,861	3,299,717
Less Accumulated Depreciation:		
Building	780,872	742,567
Vehicles	877,650	858,617
Equipment	<u>402,140</u>	<u>358,069</u>
Total Accumulated Depreciation	<u>2,060,662</u>	<u>1,959,253</u>
Total Net Assets	<u>\$1,279,199</u>	<u>\$1,340,464</u>
<u>NET POSITION</u>		
Investment in General Fixed Assets	<u>\$1,279,199</u>	<u>\$1,340,464</u>

See accompanying accountant's reports and notes to financial statements.

EXHIBIT 5

Woodbridge Township Fire District #7General Fixed Assets Account GroupStatement of Activities and Changes in Net PositionDecember 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenues and Other Financing Sources:</u>		
Purchase of Equipment - Net	\$ <u>40,143</u>	\$ <u>35,642</u>
Total Revenues and Other Financing Sources	\$ <u>40,143</u>	\$ <u>35,642</u>
<u>Expenditures:</u>		
Depreciation	\$ <u>101,408</u>	\$ <u>98,544</u>
Total Expenditures	<u>101,408</u>	<u>98,544</u>
Deficit of Revenue Over Expenditures	(61,265)	(62,902)
Net Position, Beginning of Year	<u>1,340,464</u>	<u>1,403,366</u>
Net Position, End of Year	<u>\$1,279,199</u>	<u>\$1,340,464</u>

See accompanying accountant's reports and notes to financial statements.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Woodbridge Township Fire District #7 (The District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Separate financial statements are provided for the following separate funds:

General Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

Capital Fund - Resources and expenditures for the acquisition of general capital facilities, other than those acquired through the general fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group – Shows the District's investment in buildings and equipment, net of accumulated depreciation.

The following is a summary of the significant policies:

Basis of Accounting - The modified accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable, except that interest and principal due on general obligation debt are accounted for as expenditures in the year becoming due and payable.

Inventories of Supplies - Purchases of materials and supplies are recognized and recorded as expenditures when they are acquired, regardless of when used.

The District has adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68* ("GASB 73"). Statement No. 73 requires the Authority to present a 10-year schedule of changes in total net pension liability is presented in Required Supplementary Information of these financial statements. The District also implemented GASB Statement No. 82, Pension Issues, which requires presentation of covered payroll, defined as payroll on which contributions are based, and ratios that use that measure, in schedules of required supplementary information.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2022 and 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2023 and 2022, capital assets and the useful lives used for determination of annual depreciation were as follows:

	Balance December 31, 2022	Current Year's Activity		Balance December 31, 2023
		Increase	Decrease	
Depreciable:				
Buildings & Improvs.	\$ 1,692,155	\$ -	-	\$ 1,692,155
Vehicles	1,089,677	-	-	1,089,677
Equipment	<u>517,885</u>	<u>40,144</u>	<u> </u>	<u>558,029</u>
	3,299,717	40,144	-	3,339,861
Less: Accumulated Depreciation	<u>1,959,253</u>	<u>101,408</u>	<u> </u>	<u>2,060,661</u>
	<u>\$ 1,340,464</u>	<u>\$ (61,264)</u>	<u> </u>	<u>\$ 1,279,200</u>

	Balance December 31, 2021	Current Year's Activity		Balance December 31, 2022
		Increase	Decrease	
Depreciable:				
Buildings & Improvs.	\$ 1,682,155	\$ 10,000	-	\$ 1,692,155
Vehicles	1,089,677	-	-	1,089,677
Equipment	<u>492,243</u>	<u>25,642</u>	<u>-</u>	<u>517,885</u>
	3,264,075	35,642	-	3,299,717
Less: Accumulated Depreciation	<u>1,860,709</u>	<u>98,544</u>	<u> </u>	<u>1,959,253</u>
	<u>\$ 1,403,366</u>	<u>\$ (62,902)</u>	<u>\$ </u>	<u>\$ 1,340,464</u>

Depreciation expense for the years ended December 31, 2023 and 2022 were \$108,408 and \$98,544, respectively.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash

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

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

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

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

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

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

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

The amount on deposit of the District's cash and cash equivalents at December 31, 2023, is as follows:

Checking Account	<u>\$ 1,843,178</u>
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Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS

New Jersey statutes permit the District to purchase the following investments:

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

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

C. RISK ANALYSIS

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

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION

Employees participate in both the Public Employees' Retirement System of New Jersey (PERS), as well as the Police and Firemen's Pension System; (PFRS). Both are contributory defined benefit public employee retirement systems that were established by State statute. The Systems are sponsored and administered by the Division of Pensions and Benefits. The Systems are considered a cost-sharing, multiple-employer plan. Covered employees are required by statute to contribute a certain percentage of their salary to the Plans. The Division of Pensions bills the District annually for its required contributions.

Following is the total of the District's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended December 31, 2022 and 2021.

	<u>2022</u>	<u>2023</u>
Net Pension Liabilities	\$ 3,398,387	\$ 3,425,110
Deferred Outflow of Resources	1,178,200	972,129
Deferred Inflow of Resources	762,105	537,097
Pension Expense	85,870	347,560
Contributions Made	303,677	365,899

PERS and PFRS are a cost-sharing, multiple-employer defined benefit pension plans. Both provide retirement and disability benefits, annual cost of living adjustments and benefits to plan members and their beneficiaries. As a condition of employment, all District full-time employees are required to be members.

Plan Description and Benefits - PERS

PERS members can apply for a service retirement of age 60 if enrolled before November 2, 2008 (Tier 1 or Tier 2), or at age 62 if enrolled on or after November 2, 2008, but before June 28, 2011 (Tier 3 or Tier 4), or at age 65 if enrolled on or after June 28, 2011 (Tier 5) regardless of the amount of service credit earned.

Tier 1, 2 or 3: Annual Benefit = Years of Service Credit, divided by 55, times Final Average Salary (average salary of the last three years of credited service or the highest three fiscal years of credited service, whichever provides the higher benefit). Tier 4 or Tier 5: Annual Benefit = Years of Service Credit, divided by 60, times Final Average Salary (average salary of the last five years of credited service or the highest five fiscal years of credited service, whichever provides the higher benefit). Pension benefits fully vest on reaching 10 years of service. Vested employees who were enrolled prior to July 1, 2007, and who have established 25 years or more of creditable service may retire without penalty at or after age 55 and receive full retirement benefits. PERS also provides death and disability benefits. Benefits are established by State statute.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

Contributions

Employees contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-year period. Covered District employees are required by PERS to contribute 7.06% of their salaries. State statute requires the District to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. The amount of the District's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments 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.

Plan Description - PFRS

PFRS is a cost-sharing multiple-employer defined pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). The vesting and benefit provisions are set by N.J.S.A. 43:16A PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year 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.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

The local employers' contribution amounts are based on an actuarially 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.

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

Assumptions – PERS

<u>PERS</u>	<u>2022</u>	<u>2023</u>
Inflation Rate	2.75%	2.75%
Salary Increases Through 2026	2.75 – 6.55%	2.00 – 6.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

Assumptions - PERS (Continued)

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. 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 made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00% as of December 31, 2023 and 2022, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Districts Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate

	<u>At 1% decrease (6.00%)</u>	<u>At current discount rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
2023	<u>\$ 749,804</u>	<u>\$ 624,837</u>	<u>\$ 512,379</u>
	<u>At 1% decrease (6.00%)</u>	<u>At current discount rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
2022	<u>\$ 807,113</u>	<u>\$ 673,043</u>	<u>\$ 559,096</u>

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

Assumptions – PFRS

<u>PFRS</u>	<u>2022</u>	<u>2021</u>
Inflation Rate	2.75%	2.75%
Through all future years	3.25 – 16.25% Based on Years of Service	2.10 – 8.98% Based on Years of Service
Investment Rate of Return	7.00%	7.00%

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and June 30, 2022. 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 made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The following presents the District's proportionate share of the PFRS net pension liability calculated using the discount rate of 7.00% as of December 31, 2023 and 2022, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the District's Proportionate Share of the PFRS Local Share Net Pension Liability to Changes in the Discount Rate

	At 1% decrease <u>(6.00%)</u>	At current discount <u>rate (7.00%)</u>	At 1% increase <u>(8.00%)</u>
2023	<u>\$ 3,724,363</u>	<u>\$ 2,800,273</u>	<u>\$ 2,016,196</u>
2022	<u>\$ 3,601,542</u>	<u>\$ 2,725,344</u>	<u>\$ 1,996,041</u>

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflow of resources, deferred inflow of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, The Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2023 and 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022, respectively.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS and PFRS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentage presented in the PERS and PFRS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022. The District's proportionate share of the collective net pension liability as of December 31, 2023 was 0.004% and 0.0211 for PERS and PFRS, respectively.

At December 31, 2023 & 2022, the amount recognized as the District's proportionate share of the PERS and PFRS net pension liability was \$ 3,425,110 & \$3,398,387, respectively. For the years ended December 31, 2023 & 2022, the District recognized PERS and PFRS pension expense of \$347,560 & \$303,677, respectively.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

At December 31, 2023 and 2022 the Agency's deferred outflows of resources and deferred inflows of resources related to the PERS and PFRS pension are from the following sources:

	<u>2022</u>		<u>2023</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference Between Expected and Actual Experience	\$ 128,214	\$ 171,248	\$ 125,876	\$ -
Changes of Assumptions	9,554	443,848	7,417	226,954
Net Difference Between Projected and Actual Earning on Pension Plan Investments	277,418	-	145,520	191,640
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>763,014</u>	<u>147,009</u>	<u>693,316</u>	<u>118,503</u>
Total	<u>\$1,178,200</u>	<u>\$ 762,105</u>	<u>\$ 972,129</u>	<u>\$ 537,097</u>

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

<u>Year Ended December 31,</u>	<u>Total</u>
2024	\$ (722,153)
2025	(704,751)
2026	2,001,908
2027	(119,046)
2028	107,682
Thereafter	<u>128,608</u>
	<u>\$ 435,032</u>

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 3. PENSION (Continued)

BASIS OF ACCOUNTING

The financial statements of the PERS and PFRS pension fund are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the fund. Benefits or refunds are recognized when due and payable in accordance with the terms of the fund.

INVESTMENT VALUATION

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

NOTE 4. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription, drug, and Medicare Part B reimbursement to retirees and their covered dependents of local employers.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

NOTE 4. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75 (Continued)

The employer contributions for the participating local employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: Teachers' Pension Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, the 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 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.

Total Non-employer OPEB Liability

The portion of the Total Non-employer OPEB Liability that was associated with the District at December 31, 2023 and 2022 was as follows:

	<u>2022</u>	<u>2023</u>
Non-employer OPEB Liability:		
District's proportionate share	\$3,343,774	\$3,454,655

The Total Non-employer OPEB Liability as of December 31, 2023 was determined by an actuarial valuation as of June 30, 2023.

The Total Non-employer OPEB Liability was determined separately based on actual data of the District.

On December 31, 2023, the District's proportion was 0.023021 percent, which was a increase of 0.002316 from its proportion measured as of December 31, 2022.

The State, a Non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

NOTE 4. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75 (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.5 %
Salary increases Through 2026	2.75% - 6.55% Based on Years of Service

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies for the periods July 1, 2013 - June 30, 2021 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is initially 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after seven years. For the Medicare Plan B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2023 and 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

NOTE 4. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75 (Continued)

Sensitivity of the Total Non-employer OPEB Liability to Changes in the Discount Rate

The following presents the total non-employer OPEB liability associated with the Authority as of December 31, 2023 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>December 31, 2023</u>		
	<u>1.00% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>1.00% Increase(4.65%)</u>
State of New Jersey's Non-employer OPEB Liability Associated with the District	\$4,001,526	\$3,454,655	\$3,005,540

	<u>December 31, 2022</u>		
	<u>1.00% Decrease (2.54%)</u>	<u>At Discount Rate (3.54%)</u>	<u>1.00% Increase (4.54%)</u>
State of New Jersey's Non-employer OPEB Liability Associated with the District	\$4,146,279	\$3,343,774	\$2,909,083

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

As of June 30, 2023 and 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired Authority employee's OPEB associated with the following sources:

	<u>2022</u>		<u>2023</u>	
	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions	\$ 1,141,166	\$ 446,240	\$976,520	\$ 447,507
Difference Between Expected and Actual Experience	619,794	173,556	938,742	159,311
Changes in Proportion	<u>742,082</u>	<u>1,445,742</u>	<u>563,727</u>	<u>1,430,406</u>
	<u>\$2,503,042</u>	<u>\$2,065,538</u>	<u>\$2,478,989</u>	<u>\$2,037,224</u>

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

NOTE 4. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75 (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$(128,111)
2025	(106,023)
2026	(101,605)
2027	(26,505)
2028	(53,011)
Thereafter	(26,510)
	<u>\$ 441,765</u>

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-029 or on their website at <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Woodbridge Township Fire District #7

Notes to Financial Statements

For the Year Ended December 31, 2023 and 2022

Note 5. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The Fire District offers its employees a Length of Service Awards Program in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Program and all income attributed to those amounts are the exclusive property of the Fire District, subject to the claims of its general creditors. Participants' rights under the Program are equal to those of a general creditor of the Fire District in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Fire District would use Program assets to satisfy claims of the general creditors in the future.

Note 6. SUBSEQUENT EVENTS

In Management's opinion, there are no material events subsequent to December 31, 2023, which would require recognition in the financial statements.

Woodbridge Township Fire District #7

ROSTER OF OFFICIALS

Brian Henry - President

Carmine Minella - Vice President

Justin Holloway - Secretary

Ed Sena - Treasurer

Gary Nebus - Assistant Secretary/Treasurer

Christopher T. Howell, Esq. - Attorney

Surety Company

Employee Dishonesty coverage for \$500,000 on each employee and \$25,000 on the Treasurer.

WOODBIDGE TOWNSHIP FIRE DISTRICT #7

Comments and Recommendations

For the Year Ended December 31, 2023

NONE