

WOODBIDGE TOWNSHIP FIRE DISTRICT #2

Audit Report

For the Years Ended December 31, 2024 and 2023

BART & BART
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Woodbridge Township Fire District #2
Port Reading, NJ 07064

We have audited the combined financial statements of The Woodbridge Township Fire District #2, which comprise the statements of financial position as of December 31, 2024, 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 #2 at December 31, 2024, 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 #2, 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 #2'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 #2

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 #2'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 #2's ability to continue as a going concern.

We are required to communicate 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

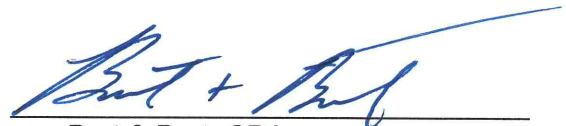
Required Supplementary Information:

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 #2

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2025 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.


Bart & Bart, CPA

Woodbridge, NJ
October 30, 2025

BART & BART *Certified Public Accountants*

34 Green Street, Woodbridge, NJ 07095

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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 #2
Port Reading, NJ 07064

We have audited the financial statements of Woodbridge Township Fire District #2, Woodbridge Township, New Jersey, for the year ended December 31, 2024, and have issued our report thereon dated October 30, 2025. 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.

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.

A handwritten signature in blue ink, appearing to read "Bart & Bart", is written over a horizontal line.

Bart & Bart, CPA's

Woodbridge, NJ
October 30, 2025

WOOBIDGE TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2024

Unaudited

This discussion and analysis of Woodbridge Township Fire District No. 2's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. 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>2024</u>	<u>2023</u>
Total Assets ad Deferred Outflow of Resources	\$ 6,154,950	\$ 4,892,213
Capital Assets - Net	<u>520,877</u>	<u>559,828</u>
Total Assets	<u>\$ 6,675,827</u>	<u>\$ 5,452,041</u>
Total Current Liabilities	1,507,269	1,414,855
Noncurrent Liabilities		
Net Defined Pension Liability and Deferred Outflows of Resources	<u>7,040,581</u>	<u>6,802,959</u>
Total Liabilities, Reserves and Deferred Inflows of Resources	<u>\$ 8,547,850</u>	<u>\$ 8,217,814</u>
Net Position		
Restricted:		
Invested in Capital Assets	520,877	559,828
Unreserved (Deficit)	<u>(2,392,900)</u>	<u>(3,325,601)</u>
Net Position	<u>\$ (1,872,023)</u>	<u>\$ (2,765,773)</u>

Comparative Statement of Revenues, Expenses and Change in Net Position

There was an increase in Operating Revenues. The Revenue increased \$289,319 from the prior year due to an increase in the voter approved Tax Levy.

Operating Expenses increased \$ 284,321 or 11% from the prior year, primarily due to GASB 68 & 75 adjustments. Total Operating Revenues, less Total Operating Expenses, produced a surplus of \$1,030,235.00

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2024

Unaudited

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

Net Position as of December 31, 2024 increased \$932,701 from (\$3,325,602) to (\$2,392,900), primarily as a result of net pension liability accruals required by the implementation of GASB 68 & 75.

	<u>Year Ending December 31,</u>	
	<u>2024</u>	<u>2023</u>
Total Operating Revenues	\$ 3,817,149	\$ 3,386,953
Operating Expenses	<u>2,696,794</u>	<u>2,412,473</u>
Operating Income	1,120,355	974,480
Revenue Offsets and Capital Appropriations	<u>(90,120)</u>	<u>(84,011)</u>
Total Operating Deficit/Surplus	<u>\$ 1,030,235</u>	<u>\$ 890,469</u>

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>2024</u>	<u>2023</u>
Net Position	\$ (2,392,900)	\$ (3,325,602)
Less: Deferred Outflow of Resources	(2,165,529)	(1,720,654)
Add: Deferred Inflow of Resources	1,432,764	1,833,814
Net Pension and OPEB Liability	<u>5,607,817</u>	<u>4,829,105</u>
Available Fund Balance	<u>\$ 2,482,152</u>	<u>\$ 1,616,663</u>

Uniform Fire Safety Act revenues increased \$25,547. Earnings on investments increased \$8,221 and miscellaneous income increased \$35,817. District taxes increased \$289,319. The Township of Woodbridge reimbursed the District \$52,130 for certain Haz-Mat uniforms in 2024.

WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2024

Unaudited

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

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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>2024</u>	<u>2023</u>
Net Position-Unrestricted	\$ (2,392,900)	\$ (3,325,602)
Less: Deferred Outflow of Resources	(2,165,529)	(1,720,654)
Add: Deferred Inflow of Resources	1,432,764	1,833,814
Net Pension and OPEB Liability	<u>5,607,817</u>	<u>4,829,105</u>
Available Fund Balance	<u>\$ 2,482,152</u>	<u>\$ 1,616,663</u>

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WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2024

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>
2024	\$211,914,100	\$ 3,553,615	\$2.230
2023	210,618,900	3,264,296	1.680
2022	212,827,300	3,237,973	1.519
2021	215,929,800	2,225,932	1.020
2020	213,366,600	2,093,101	.980
2019	216,499,900	2,024,952	.908
2018	215,853,200	1,980,165	.917
2017	217,305,200	1,891,655	.866
2016	226,854,073	1,818,308	.781
2015	226,779,800	1,774,572	.782

The District had \$2,786,914 in expenses, an increase of \$290,430. Administration costs decreased by \$2,538. Costs of operations increased \$286,859. Capital expenditures increased \$10,000. 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 #2, at PO Box 207, Port Reading, NJ 07064.

Woodbridge Township Fire District # 2**SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (NPL)
DETERMINED AS OF JUNE 30, 2024, 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
2024	0.028			
2023	0.0013 %	\$19,074	\$ 10,000	190%
2022	0.0016 %	250,919	10,000	250%
2021	0.0002 %	26,685	12,624	211%
2020	0.0002%	34,495	16,504	209%
2019	0.0002%	38,030	15,304	248%
2018	0.00001%	41,193	15,000	274 %
2017	0.00002 %	48,371	14,688	329%
2016	0.0005 %	156,689	31,200	502%
2015	0.0005 %	117,158	36,400	321%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 1,760	\$ 1,760	\$ -	\$10,000	17.6%
2022	2,638	2,638	\$ -	10,000	26.38%
2021	2,314	2,638	(324)	12,624	18.33%
2020	2,053	2,053	-	16,504	12.43%
2019	2,053	2,053	-	15,304	13.41%
2018	1,925	1,925	-	15,000	12.83.%
2017	4,700	4,700	-	14,688	32.00%
2016	4,487	4,487	-	31,200	14.38%
2015	4,471	4,471	-	36,400	12.28%

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

Schedule 1 (Cont'd)

Woodbridge Township Fire District # 2

**SCHEDULE OF PROPORTIONATE SHARE OF PFRS NET PENSION LIABILITY (NPL)
DETERMINED AS OF JUNE 30, 2024, 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
2024	0.028%	\$2,952,732	\$ 1,068,167	276 %
2023	0.025%	2,835,921	\$ 1,075,235	263 %
2022	0.024%	2,825,061	936,522	301%
2021	0.022%	1,666,952	887,902	187%
2020	0.021%	2,830,689	810,469	349%
2019	0.023%	2,840,741	766,471	370%
2018	0.021%	3,027,062	754,686	401%
2017	0.021%	3,314,091	744,436	445%
2016	0.021 %	4,033,408	696,430	579%
2015	0.018 %	3,157,941	677,052	466%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 341,683	\$395,516	\$ 53,833	1,068,187	37%
2023	320,988	341,683	20,695	1,075,235	31%
2022	\$ 265,800	61,969	198,831	936,522	28%
2021	244,740	265,800	21,060	887,902	29%
2020	234,475	234,475	-	810,469	28%
2019	357,739	234,475	(123,264)	766,471	34%
2018	218,702	189,987	(28,715)	754,686	28%
2017	172,155	172,155	-	744,436	23%
2016	154,110	154,110	-	696,430	22%
2015	148,773	148,773	-	667,052	22%

Woodbridge Fire District #2

**SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY DETERMINED
AS OF JUNE 30, 2024, OPEB MEASUREMENT DATE**

Fiscal Year	District's Proportion	District's Proportionate Liability	District's Covered Payroll	District's Proportionate Share of NPL as a % of Covered Payroll Payroll
2024	0.014%	\$ 2,638,009	\$ 1,355,996	194%
2023	0.013%	1,974,110	1,108,846	178%
2022	0.011%	1,823,935	956,522	190%
2021	0.012%	2,217,033	887,902	248%
2020	0.011%	2,066,732	810,469	225%
2019	0.040%	5,450,804	766,471	217%
2018	0.051%	8,017,548	727,961	296%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 280,967	\$ 280,967	-	\$ 1,355,996	20.72%
2022	485,580	485,580	-	1,108,846	2.28%
2022	438,353	438,353	-	856,522	4.04%
2021	474,764	474,764	-	887,902	8.42%
2020	154,071	154,071	-	810,469	19.00%
2019	173,312	173,312	-	766,471	22.60%
2018	167,240	167,240	-	727,961	22.97%

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

Woodbridge Township Fire District #2General FundComparative Statement of Net Position

<u>ASSETS</u>	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash	\$ 3,975,955	\$ 3,151,161
Accounts Receivable	13,466	20,198
Total Assets	\$ 3,989,421	\$ 3,171,359
Deferred Outflow of Resources		
Deferred Amount of Net Pension Liability	836,468	799,961
Deferred Amount of Net OPEB Liability	1,329,061	920,893
Total Assets and Deferred Outflow of Resources	\$ 6,154,950	\$ 4,892,213
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities and Reserves:		
Accounts Payable	42,969	125,440
Accrued Expenses	190,455	235,609
Reserve for Future Capital Outlays	535,436	415,436
Net Pension Liability	2,969,808	2,854,995
Net OPEB Liability	2,638,009	1,974,110
Total Liabilities and Reserves	6,376,677	5,605,590
Deferred Inflow of Resources:		
Deferred Amount of Net Pension Liability	399,079	599,825
Deferred Amount of OPEB Liability	1,033,685	1,273,989
Total Liabilities, Reserves and Deferred Inflows of Resources	\$ 7,809,441	\$ 7,479,404
Net Position:		
Restricted for Future Hiring	613,409	426,332
Restricted for Retiree Health Insurance	125,000	312,078
Unrestricted	(2,392,900)	(3,325,601)
Total Net Position	(1,654,491)	(2,587,191)
Total Liabilities, Reserves and Net Position	\$ 6,154,950	\$ 4,892,213

Woodbridge Township Fire District #2
General Fund
Statement of Activities and Changes in Net Position
For the Year Ended December 31, 2024
With Comparative Actual Amounts for the Period Ended December 31, 2023

	2024		Variance	2023
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues and Other				
<u>Financing Sources:</u>				
Miscellaneous Revenues:				
Uniform Fire Safety Act				
- Annual Registration Fees	\$ 39,038	\$ 59,089	\$ 20,051	\$ 34,924
- Other Fees, Penalties, Fines, Etc	5,850	3,860	(1,990)	2,478
Supplemental Fire Services Act	2,154	2,154	-	2,154
Earnings on Investments and				
Deposits	18,000	40,462	22,462	32,241
Miscellaneous Income	6,000	60,435	54,435	24,618
Total Miscellaneous Revenues	71,042	166,000	94,958	96,415
Fund Balance Appropriated	97,534	97,534	-	26,242
Total Fund Balance & Reserve				
Appropriated	97,534	97,534	-	122,657
District Taxes	3,553,615	3,553,615	-	3,264,296
Total Revenues and Other				
Financing Sources	\$ 3,722,191	\$ 3,817,149	\$ 94,958	\$ 3,386,953
<u>Expenditures</u>				
Current Operating Appropriations	\$ 3,626,317	\$ 2,696,794	\$ 929,523	\$ 2,412,473
Appropriations Offset with Revenue:				
Uniform Fire Safety Act	9,000	3,246	5,754	7,137
Capital Appropriations	86,874	86,874	-	76,874
Total Expenditures	3,722,191	2,786,914	935,277	2,496,484
Excess of Revenue over Expenditure	-	1,030,235	1,030,235	890,469
Less: Fund Balance Utilized	(97,534)	(97,534)	-	(26,242)
Net Position, Beginning of Year	(3,325,601)	(3,325,601)	-	(4,189,828)
Net Position, End of Year	\$ (3,423,135)	\$ (2,392,900)	\$ 1,030,235	\$ (3,325,601)

See accompanying accountant's reports and notes to financial statements

Woodbridge Township Fire District #2
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended December 31, 2024
With Comparative Actual Amounts for the Period Ended December 31, 2023

	2024		Variance	2023
	Budget	Actual	Favorable (Unfavorable)	Actual
ADMINISTRATION:				
Salaries and Wages	68,542	56,496	12,046	62,048
Fringe Benefits	59,354	39,735	19,619	36,312
Election	12,000	6,120	5,880	5,288
Membership Dues	1,150	450	1,000	100
Office Expenses	13,380	12,894	486	8,727
Professional Services	123,700	54,965	68,735	60,723
	<u>278,126</u>	<u>170,660</u>	<u>107,466</u>	<u>173,198</u>
COST OF OPERATIONS:				
Salaries and Wages	1,645,000	1,355,916	289,084	1,489,154
Fringe Benefits	929,876	522,354	407,522	192,332
Insurance	58,500	58,146	354	50,314
Maintenance and Repair	80,500	61,004	19,496	53,947
Hydrant Services	185,600	185,511	89	164,611
Training and Education	43,100	11,816	31,284	1,946
Uniforms	10,300	8,296	2,004	2,379
Advertising and Promotion	12,000	11,986	14	7,843
Utilities	45,525	34,162	11,363	33,813
Fuel	10,000	5,046	4,954	4,555
Mutual Services Agreement	80,965	80,965	-	79,137
Radio Agreements	22,121	22,121	-	22,069
LOSAP	16,000	15,703	297	8,744
Equipment	128,200	91,563	36,637	113,145
Server	50,000	50,000	-	
Miscellaneous	30,504	11,545	18,959	15,286
Total Cost of Operations	<u>3,348,191</u>	<u>2,526,134</u>	<u>822,057</u>	<u>2,239,275</u>
Total Current Operating Exp	3,626,317	2,696,794	929,523	2,412,473
EXPENSES OFFSET WITH REVENUE				
Uniform Fire Safety Act	<u>9,000</u>	<u>3,246</u>	<u>5,754</u>	<u>7,137</u>
Total Operating Appropriations	<u>3,635,317</u>	<u>2,700,040</u>	<u>935,277</u>	<u>2,419,610</u>
CAPITAL APPROPRIATIONS:				
Reserve Future Capital Outlays	35,000	35,000	-	25,000
Debt Service - Lease	<u>51,874</u>	<u>51,874</u>	<u>-</u>	<u>51,874</u>
Total Capital Appropriations	<u>86,874</u>	<u>86,874</u>	<u>-</u>	<u>76,874</u>
Total Appropriations	<u>3,722,191</u>	<u>2,786,914</u>	<u>935,277</u>	<u>2,496,484</u>

See accompanying accountant's reports and notes to financial statements

Woodbridge Township Fire District #2Capital FundCombining Statement of Amount to be Provided for Retirement of Debt

<u>Purpose</u>	<u>Balance 12/31/2023</u>	<u>Lease/Purchase Paid by Budget Appropriation</u>	<u>Lease/Purchase of Equipment</u>	<u>Balance 12/31/2024</u>
Lease/Purchase of:				
Pierce Pumper	<u>\$301,600</u>	<u>\$51,873</u>	<u>\$ -</u>	<u>\$249,727</u>
Total	<u>\$301,600</u>	<u>\$51,873</u>	<u>\$ -</u>	<u>\$249,727</u>

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

Woodbridge Township Fire District #2Capital FundComparative Statement of Net Position

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Amount to be Provided for Retirement of Debt	<u>\$249,727</u>	<u>\$301,600</u>
Total	<u>\$249,727</u>	<u>\$301,600</u>

LIABILITIES, RESERVES, AND FUND BALANCE

Capital Lease Payment	<u>\$249,727</u>	<u>\$301,600</u>
Total Liabilities, Reserves, and Fund Balance	<u>\$249,727</u>	<u>\$301,600</u>

Woodbridge Township Fire District #2General Fixed Assets Account GroupComparative Statement of Net PositionDecember 31, 2024 and 2023

<u>ASSETS</u>	<u>2023</u>	<u>2023</u>
Building:		
Fire House (Estimated Cost)	\$ 1,233,610	\$ 1,228,666
Equipment:		
Vehicles	1,167,758	1,167,750
Equipment	<u>51,262</u>	<u>43,275</u>
Total Assets	2,452,630	2,439,691
Less Accumulated Depreciation:		
Building	1,108,083	1,089,049
Vehicle	784,299	752,912
Equipment	<u>39,371</u>	<u>37,902</u>
Total Accumulated Depreciation	<u>1,931,753</u>	<u>1,879,863</u>
Total Net Assets	<u>\$ 520,877</u>	<u>\$ 559,828</u>
<u>NET POSITION</u>		
Investment in General Fixed Assets	<u>\$ 520,877</u>	<u>\$ 610,919</u>

See accompanying accountant's reports and notes to financial statements

Woodbridge Township Fire District #2General Fixed Assets Account GroupStatement of Activities and Changes in Net PositionDecember 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Revenues and Other Financing Sources:</u>		
Purchase of Equipment - Net	<u>\$ 12,939</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	<u>12,939</u>	<u>\$ -</u>
<u>Expenditures:</u>		
Depreciation	<u>\$ 51,890</u>	<u>\$ 51,091</u>
Total Expenditures	<u>51,890</u>	<u>51,091</u>
Deficit of Revenue Over Expenditures	(38,951)	(51,091)
Net Position, Beginning of Year	<u>559,828</u>	<u>610,919</u>
Net Position, End of Year	<u>\$ 520,877</u>	<u>\$ 559,828</u>

See accompanying accountant's reports and notes to financial statements

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Woodbridge Township Fire District #2 (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 #2
Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2024 and 2023, capital assets and the useful lives used for determination of annual depreciation were as follows::

	Balance December 31, 2023	Current Year's Activity Increase	Decrease	Balance December 31, 2024
<u>Depreciable:</u>				
Buildings & Improvs	\$ 1,228,666	4,944	-	\$ 1,233,610
Equipment	43,267	7,995	-	51,262
Vehicles	1,167,758	-	-	1,167,758
	2,439,691	12,939	-	2,452,630
Less: Accumulated Depreciation	1,879,863	51,890	-	1,931,753
	\$ 559,828	\$ (38,951)	-	\$ 520,877

	Balance December 31, 2022	Current Year's Activity Increase	Decrease	Balance December 31, 2023
<u>Depreciable:</u>				
Buildings & Improvs.	\$ 1,228,666	-	-	\$ 1,228,666
Equipment	43,267	-	-	43,267
Vehicles	1,167,758	-	-	1,167,758
	2,439,691		-	\$ 2,439,691
Less: Accumulated Depreciation	1,828,772	51,091	-	1,879,863
	\$ 610,919	\$ (51,091)	-	\$ 559,828

Depreciation expense was \$51,890 and \$51,091 for the years ended December 31, 2024 and 2023 res

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

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, 2024, is as follows:

Checking Account	<u>\$3,975,955</u>
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Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

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 #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 3. CAPITAL LEASES

In January of 2020, the District entered into a Lease with Option to Purchase Agreement (Agreement) for the \$457,219 estimated cost of a new vehicle at an annual rate of 2.36%.

The following is the District's debt service obligations under this agreement:

<u>Due Date</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
January 12, 2022	\$ 51,873.81	\$ 9,836.28	\$ 42,037.53
January 12, 2023	51,873.81	8,842.67	43,031.14
January 12, 2024	51,873.81	7,825.57	44,048.24
January 12, 2025	51,873.81	6,784.44	45,089.37
January 12, 2026	51,873.81	5,718.69	46,155.12
January 12, 2027	51,873.81	4,627.76	47,246.05
January 12, 2028	51,873.81	3,511.04	48,362.77
January 12, 2029	51,873.81	2,367.93	49,505.89
January 12, 2030	51,873.81	1,197.79	50,676.02

Note 4. 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, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Net Pension Liabilities	\$ 2,969,808	\$ 2,854,995
Deferred Outflow of Resources	836,468	799,961
Deferred Inflow of Resources	367,383	599,825
Pension Expense	274,875	246,767
Contributions Made	344,443	341,955

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.

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 4. PENSION (Continued)

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.

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 7.50% 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.

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 4. PENSION (Continued)

Plan Description – PFRS (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.
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.

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.

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 3. PENSION (Continued)

Assumptions – PERS

<u>PERS</u>	<u>2023</u>	<u>2024</u>
Inflation Rate	2.75%	2.75%
Salary Increases Through 2026	2.75 - 6.55% Based on Years of Service	2.00 – 6.55% 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 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 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, 2024 and 2023 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 District's Proportionate Share of the PERS 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>
2024	<u>\$ 20,661</u>	<u>\$ 17,076</u>	<u>\$ 14,002</u>
	At 1% decrease <u>(6.00%)</u>	At current discount <u>rate (7.00%)</u>	At 1% increase <u>(8.00%)</u>
2023	<u>\$ 22,888</u>	<u>\$ 19,074</u>	<u>\$ 15,831</u>

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 4. PENSION (Continued)

Assumptions – PFRS

<u>PFRS</u>	<u>2024</u>	<u>2023</u>
Inflation Rate	2.75%	2.75%
Through All Future years	3.25 – 16.25% Based on Years of Service	3.25 – 16.25% 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, 2024 and June 30, 2023. 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, 2024 and 2023, 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

	<u>At 1% decrease (6.00%)</u>	<u>At current discount rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
2024	<u>\$ 3,690,915</u>	<u>\$ 2,952,732</u>	<u>\$ 2,066,912</u>
	<u>At 1% decrease (6.00%)</u>	<u>At current discount rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
2023	<u>\$ 3,711,774</u>	<u>\$ 2,835,921</u>	<u>\$ 2,041,983</u>

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 4. 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, 2024 and 2023, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2024 and 2023, 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 ending December 31, 2024 & 2023 the District recognized PERS and PFRS pension expense of \$274,845 and \$246,767, respectively.

At December 31, 2024 and 2023, 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>2024</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	\$186,362	\$ 101,130	\$121,610	\$ -
Changes of Assumptions	4,689	86,911	6,163	192,649
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	23,902	144,516	135,326
Changes in Proportion	<u>645,417</u>	<u>187,136</u>	<u>527,672</u>	<u>271,850</u>
Total	<u>\$ 836,463</u>	<u>\$ 399,079</u>	<u>\$ 799,961</u>	<u>\$ 599,825</u>

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

Note 4. PENSION (Continued)

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>
2025	\$(1,399,628)
2026	1,858,882
2027	(538,720)
2028	(376,150)
2029	947,015
Thereafter	<u>54,015</u>
	<u>\$ 437,384</u>

NOTE 5. 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.

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 nonemployer 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.

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

NOTE 5. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSION - GASB 75 (Continued)

Total Nonemployer OPEB Liability

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

	<u>2024</u>	<u>2023</u>
Non-employer OPEB Liability:		
District's proportionate share	\$2,638,009	\$1,974,110

The Total Non-employer OPEB Liability as of December 31, 2024 was determined by an actuarial valuation as of June 30, 2024.

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

On December 31, 2024, the District's proportion was 0.0147 percent, which was an increase of 0.0016 from its proportion measured as of December 31, 2023.

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.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 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 Age

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.

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

**NOTE 5. ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT
BENEFITS OTHER THAN PENSION - GASB 75 (Continued)**

Discount Rate

The discount rate for June 30, 2024 and 2023 was 3.93% and 3.65%, 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.

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 District as of December 31, 2024 and 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, 2024</u>		
	<u>1.00% Decrease (2.93%)</u>	<u>At Discount Rate (3.93%)</u>	<u>1.00% Increase (3.93%)</u>
State of New Jersey's Non-employer OPEB Liability Associated with the District	\$3,072,966	\$2,638,009	\$2,289,622

	<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	\$2,428,155	\$1,974,110	\$1,717.475

Woodbridge Township Fire District #2

Notes to Financial Statements

For the Year Ended December 31, 2024 and 2023

NOTE 5. 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

As of June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired District employee's OPEB associated with the following sources:

	<u>2024</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	\$ 243,412	\$ 441,025	\$ 558,018	\$ 255,721
Difference Between Projected and Actual Earnings	1,194	-		
Difference Between Expected and Actual Experience	446,970	133,597	536,430	91,036
Changes in Proportion	<u>147,628</u>	<u>754,439</u>	<u>179,541</u>	<u>574,136</u>
	<u>\$ 1,033,685</u>	<u>\$1,329,061</u>	<u>\$1,273,989</u>	<u>\$920,893</u>

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>
2025	\$(157,035)
2026	(67,427)
2027	(11,533)
2028	(62,284)
2029	(39,332)
Thereafter	<u>633,347</u>
	<u>\$ 295,736</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 #2
Notes to Financial Statements
For the Year Ended December 31, 2024 and 2023

Note 6. 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 7. SUBSEQUENT EVENTS

In Management's opinion, there are no material events subsequent to December 31, 2024, which would require recognition in the financial statements.

Woodbridge Township Fire District #2

ROSTER OF OFFICIALS

Board of Commissioners

Robert Santorelli	President
Joann Molnar	Vice President
Steven Weber	Second Vice President
Mark Cinelli	Treasurer
Daniel Eagan	Secretary

Other Officials

Maria Bucsanszky	Accountant
Brian Bontempo, Esq.	District Attorney

Surety Company

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

WOODBIDGE TOWNSHIP FIRE DISTRICT #2

Comments and Recommendations

For the Year Ended December 31, 2024

NONE