

**FIRE DISTRICT NO. 3  
OF THE TOWNSHIP OF OLD BRIDGE**

**Financial Statements and Supplementary Information**

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

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Fire Commissioners of  
Fire District No. 3 of the Township of Old Bridge  
County of Middlesex  
Township of Old Bridge, State of New Jersey

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire District No. 3 of the Township of Old Bridge, County of Middlesex, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fire District No. 3 of the Township of Old Bridge's, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 3 of the Township of Old Bridge, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fire District No. 3 of the Township of Old Bridge, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District No. 3 of the Township of Old Bridge's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fire District No. 3 of the Township of Old Bridge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fire District No. 3 of the Township of Old Bridge's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of Fire District No. 3 of the Township of Old Bridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire District No. 3 of the Township of Old Bridge's internal control over financial reporting and compliance.

*Holman Frenia Allison P.C.*

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

December 11, 2025  
Lakewood, New Jersey

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Fire Commissioners of  
Fire District No. 3 of the Township of Old Bridge  
County of Middlesex  
Township of Old Bridge, State of New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 3 of the Township of Old Bridge as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Fire District No. 3 of the Township of Old Bridge's basic financial statements, and have issued our report thereon December 11, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fire District No. 3 of the Township of Old Bridge's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire District No. 3 of the Township of Old Bridge's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire District No. 3 of the Township of Old Bridge's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire District No. 3 of the Township of Old Bridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HOLMAN FRENIA ALLISON P.C.*

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

December 11, 2025  
Lakewood, New Jersey

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

As management of the Fire District No. 3 of the Township of Old Bridge (hereafter referred to as the District) offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended, December 31, 2024. The intent of this narrative is to look at the District's overall financial performance in terms easily understood by the layperson. Please read this in conjunction with the District's financial statements which begin on page 13. Notes to the financial statements will provide the reader with additional useful information and they begin on page 20.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at December 31, 2024, by approximately \$3,788,000. During 2023, the excess of assets and deferred outflows of resources over liabilities deferred inflows of resources was approximately \$3,578,500.
- During 2024, the District operated at a surplus of approximately \$209,500. During 2023, the District operated at a surplus of approximately \$219,400.
- The District's liabilities and deferred inflows of resources increased approximately \$192,600 in 2024 while assets and deferred outflows of resources increased by approximately \$402,000.
- As described in Note 2 to the financial statements, the District has adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. The adoption of these statements did not have a material impact on the District's financial statements.

### **USING THIS ANNUAL REPORT**

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

#### **Reporting on the District as a Whole**

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

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

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

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

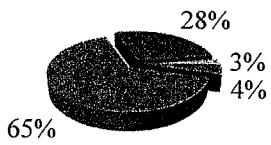
## DISTRICT WIDE FINANCIAL ANALYSIS

The District's net position is a useful indicator of the District's financial condition. At the end of 2024, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$3,788,000. The largest portion of The District's net position is its investment in capital assets, net. The District uses these assets to provide fire-fighting services to the community; consequently, these assets are not available for future spending. The District's investment in capital assets, net is reported net of related debt or lease liabilities incurred for their acquisition, construction, or improvement. Since the capital assets are not available to liquidate the outstanding obligations, other sources must be utilized for the repayment of those obligations.

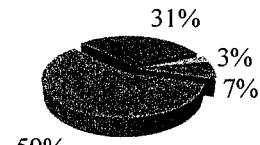
### FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE DISTRICT WIDE STATEMENT OF NET POSITION DECEMBER 31, 2024 AND 2023

	2024	2023	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Current and non-current assets				
and deferred outflows of resources	\$ 7,119,763	\$ 7,323,339	\$ (203,576)	(2.78%)
Capital assets, net	2,700,140	2,094,544	605,596	28.91%
Total assets	9,819,903	9,417,883	402,020	4.27%
Total current and non-current liabilities				
and deferred inflows of resources	(6,031,945)	(5,839,393)	192,552	3.30%
Net position	<u>\$ 3,787,958</u>	<u>\$ 3,578,490</u>	<u>\$ 209,468</u>	<u>5.85%</u>
<b>Analysis of net position</b>				
Investment in capital assets, net	\$ 2,700,140	\$ 2,094,544	\$ 605,596	28.91%
Restricted for:				
Capital projects	1,153,861	1,113,699	40,162	3.61%
Unemployment compensation	106,885	105,819	1,066	1.01%
Unrestricted	(172,928)	264,428	(437,356)	(165.40%)
Total net position	<u>\$ 3,787,958</u>	<u>\$ 3,578,490</u>	<u>\$ 209,468</u>	<u>5.85%</u>

**2024 Net Position**



**2023 Net Position**



- Investment in Capital Assets, Net
- Restricted for Capital
- Restricted for Unemployment Compensation
- Unrestricted

- Investment in Capital Assets, Net
- Restricted for Capital
- Restricted for Unemployment Compensation
- Unrestricted

The net position of the District increased approximately \$209,500 as a result of a current year surplus. In 2024, capital assets, net increased by approximately \$605,600 after depreciation expense.

## DISTRICT WIDE FINANCIAL ANALYSIS (continued)

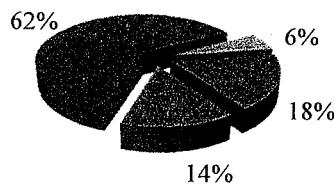
### Governmental Activities

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

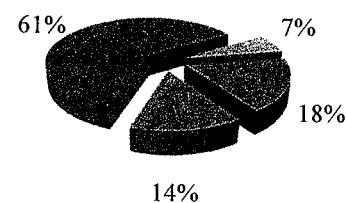
#### FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE DISTRICT WIDE STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023	\$ Increase/ (Decrease)	% Increase/ (Decrease)
<b>Expenses:</b>				
Program expenses:				
Administrative expenses	\$ 379,592	\$ 355,656	\$ 23,936	6.73%
Cost of operations and maintenance	1,614,502	1,475,093	139,409	9.45%
Operating appropriations offset with revenues	473,674	436,514	37,160	8.51%
Length of service awards program contribution	159,416	161,635	(2,219)	(1.37%)
Total program expenses	<u>2,627,184</u>	<u>2,428,898</u>	<u>198,286</u>	8.16%

**2024 Program Expenses**



**2023 Program Expenses**



■ Administrative

■ Cost of Operations and Maintenance

■ Length of Service Awards Program Contribution

■ Operating Appropriations Offset with Revenues

■ Administrative

■ Cost of Operations and Maintenance

■ Length of Service Awards Program Contribution

■ Operating Appropriations Offset with Revenues

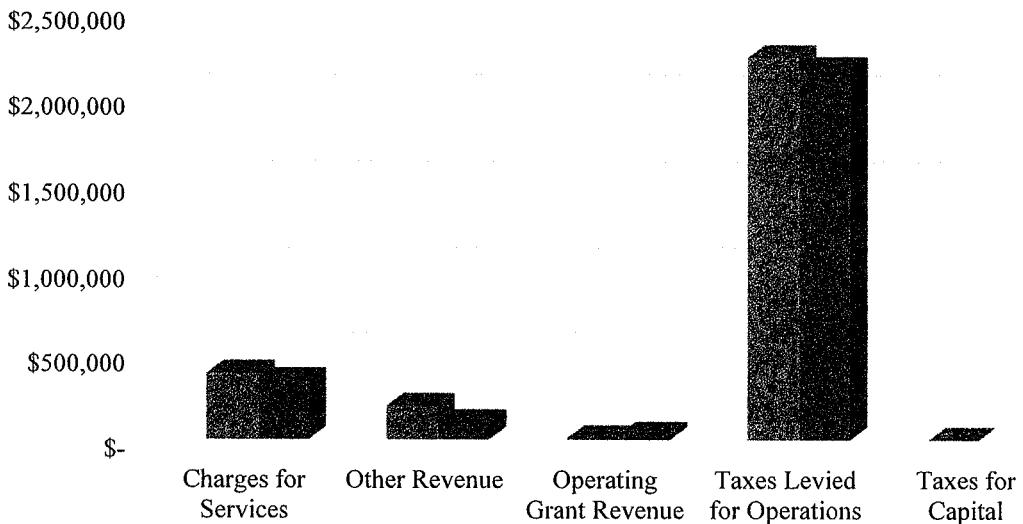
The cost of operations and maintenance comprised 62% and 61% of the District's total expenses in 2024 and 2023, respectively. Administration expenses comprised 14% of the total expenses in 2024 and 2023, respectively.

**DISTRICT WIDE FINANCIAL ANALYSIS (continued)**

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
DISTRICT WIDE STATEMENT OF ACTIVITIES (continued)  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>	<b>\$ Increase/ (Decrease)</b>	<b>% Increase/ (Decrease)</b>
Program revenues:				
Charges for services	391,212	346,693	44,519	12.84%
Total program revenues	<u>391,212</u>	<u>346,693</u>	<u>44,519</u>	<u>12.84%</u>
Net program expenses	2,235,972	2,082,205	153,767	7.38%
General revenues:				
Property taxes levied for:				
General purposes	2,237,369	2,168,480	68,889	3.18%
Total property taxes levied	<u>2,237,369</u>	<u>2,168,480</u>	<u>68,889</u>	<u>3.18%</u>
Other revenue	198,585	102,233	96,352	94.25%
Operating grant revenue	9,486	30,886	(21,400)	(69.29%)
Total general revenues	<u>2,445,440</u>	<u>2,301,599</u>	<u>143,841</u>	<u>6.25%</u>
Increase in net position	209,468	219,394	(9,926)	(4.52%)
Net position, January 1	<u>3,578,490</u>	<u>3,359,096</u>	<u>219,394</u>	<u>6.53%</u>
Net position, December 31	<b>\$ 3,787,958</b>	<b>\$ 3,578,490</b>	<b>\$ 209,468</b>	<b>5.85%</b>

**Revenues**



Property tax revenue constituted 79% and 82% of the total governmental activities revenues received by the District in 2024 and 2023, respectively.

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

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

### **Governmental Funds**

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

As of December 31, 2024, the combined balance of the governmental funds cash and investment balances of the District was approximately \$3,974,100. This balance is approximately \$483,800 lower than last year's combined governmental funds cash and investment balances.

The combined fund balance of the governmental funds of the District was approximately \$5,704,700. Of that total, funds of approximately \$1,153,900 have been restricted for capital, \$1,814,600 have been restricted for investment in length of service awards program, \$106,900 have been restricted for unemployment compensation, \$43,000 have been assigned for subsequent year's expenditures, and \$2,586,300 is unassigned.

The general fund is the main operating fund of the District. At the end of 2024, the total fund balance of the general fund was approximately \$4,550,800. Of this balance, the entire balance was unassigned.

At the end of 2024, the general fund balance of the District decreased by approximately \$443,600. The primary reason for this decreased are as follows:

- The Board recognized expenses in excess of revenues of approximately \$443,600.

At the end of 2024, the District had a capital projects fund balance of approximately \$1,153,900. This is an increase of \$40,200. The primary reason for this increase are as follows:

- The Board recognized revenues in excess of expenses of approximately \$40,200.

### **General Fund Budgetary Highlights**

The 2024 budget had a deficit in revenues and the District required the utilization of unrestricted surplus accumulated from prior years. The unused surplus becomes available for future budget periods as undesignated surplus in the General Fund.

- The District recognized actual revenues in excess of budgeted revenues of approximately \$181,600 in 2024.
- Overall, the District's expenditures were approximately \$245,700 less than originally anticipated in the operating budget for 2024.

## CAPITAL ASSETS, NET

As of December 31, 2024, the District had invested in capital assets for government activities of approximately \$2,700,100 (net of accumulated depreciation). Capital assets consist of apparatus and vehicles, building and building improvements and firematic and other equipment.

### FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE CAPITAL ASSETS, NET NET OF ACCUMULATED DEPRECIATION DECEMBER 31, 2024 AND 2023

	2024	2023	\$ Increase (Decrease)
Capital assets being depreciated:			
Apparatus and vehicles	\$ 6,817,712	\$ 5,929,813	\$ 887,899
Building and building improvements	587,565	587,565	-
Firematic and other equipment	1,300,542	1,300,542	-
Total capital assets being depreciated	<u>8,705,819</u>	<u>7,817,920</u>	<u>887,899</u>
Less: accumulated depreciation:			
Total capital assets, net	<u><u>\$ 2,700,140</u></u>	<u><u>\$ 2,094,544</u></u>	<u><u>\$ 605,596</u></u>

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

## ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District voted to approve the budget at the February election. The 2025 adopted budget reflects an increase in the tax levy of \$54,791, in which the Board anticipates an increase to the fire tax rate.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all of those with an interest in the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Board of Fire Commissioners, Fire District No. 3 of the Township of Old Bridge, 913 Englishtown Road, Old Bridge, New Jersey, 08857.

**EXHIBIT A-1****FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**District Wide Statement of Net Position**  
**December 31, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash (Note 3)	\$ 3,436,342
Investments (Note 4)	537,743
Prepaid assets	<u>102,968</u>
Total current assets	<u>4,077,053</u>
<b>Non-current assets:</b>	
Investment in length of service awards program (Note 5)	<u>1,814,645</u>
Total non-current assets	<u>1,814,645</u>
<b>Capital assets, net:</b>	
Depreciable (Note 6)	<u>2,700,140</u>
Total capital assets, net	<u>2,700,140</u>
Total assets	<u>8,591,838</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions (Note 8)	303,467
Deferred outflows of resources related to investment in length of service awards program (Note 9)	135,634
Deferred outflows of resources related to other post-employment benefits (Note 10)	<u>788,964</u>
Total deferred outflows of resources	<u>1,228,065</u>
Total assets and deferred outflows of resources	<u>\$ 9,819,903</u>

**EXHIBIT A-1**  
(continued)

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**District Wide Statement of Net Position (continued)**  
**December 31, 2024**

	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 84,077
Pension payable	<u>68,623</u>
Total current liabilities	<u>152,700</u>
<b>Non-current liabilities:</b>	
Net pension liability (Note 8)	554,863
Investment in length of service awards program liability (Note 9)	2,426,695
Net other post-employment benefits liability (Note 10)	<u>1,507,459</u>
Total non-current liabilities	<u>4,489,017</u>
Total liabilities	<u>4,641,717</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions (Note 8)	272,684
Deferred inflows of resources related to investment in length of service awards program (Note 9)	557,095
Deferred inflows of resources related to other post-employment benefits (Note 10)	<u>560,449</u>
Total deferred inflows of resources	<u>1,390,228</u>
Total liabilities and deferred inflows of resources	<u>6,031,945</u>
<b>NET POSITION</b>	
Investment in capital assets, net	2,700,140
Restricted net position:	
Capital	1,153,861
Unemployment compensation	106,885
Unrestricted	<u>(172,928)</u>
Total net position	<u>3,787,958</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,819,903</u>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**District Wide Statement of Activities**  
**For the year ended December 31, 2024**

	<b>Operating Appropriations</b>	<b>Charges for Services</b>	<b>Total Governmental Activities</b>
<b>Governmental activities:</b>			
Operating appropriations:			
Administration	\$ 379,592	\$ -	\$ 379,592
Costs of operations and maintenance	1,614,502	-	1,614,502
Operating appropriations offset with revenues	473,674	391,212	82,462
Length of service awards program contribution	<u>159,416</u>	<u>-</u>	<u>159,416</u>
 Total operating appropriations	 <u>\$ 2,627,184</u>	 <u>\$ 391,212</u>	 <u>2,235,972</u>
 <b>General revenues:</b>			
Miscellaneous revenues			198,585
Operating grant revenues			9,486
Amount raised by taxation			<u>2,237,369</u>
 Total general revenues			 <u>2,445,440</u>
 Change in net position			 209,468
 Net position, January 1			 <u>3,578,490</u>
 Net position, December 31			 <u>\$ 3,787,958</u>

EXHIBIT B-1

FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
 Governmental Funds  
 Balance Sheet  
 December 31, 2024

ASSETS	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Current assets:</b>			
Cash	\$ 2,155,192	\$ 1,281,150	\$ 3,436,342
Investments	537,743	-	537,743
Other receivables (interfund)	127,289	-	127,289
<b>Total current assets</b>	<b>2,820,224</b>	<b>1,281,150</b>	<b>4,101,374</b>
<b>Non-current assets:</b>			
Investment in length of service awards program (Note 5)	1,814,645	-	1,814,645
<b>Total non-current assets</b>	<b>1,814,645</b>	<b>-</b>	<b>1,814,645</b>
<b>Total assets</b>	<b>\$ 4,634,869</b>	<b>\$ 1,281,150</b>	<b>\$ 5,916,019</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 84,077	\$ -	\$ 84,077
Other payables (interfund)	-	127,289	127,289
<b>Total liabilities</b>	<b>84,077</b>	<b>127,289</b>	<b>211,366</b>
<b>Fund balance:</b>			
Restricted for:			
Capital	-	1,153,861	1,153,861
Investment in length of service awards program	1,814,645	-	1,814,645
Unemployment compensation	106,885	-	106,885
Assigned for:			
Subsequent year's expenditures	42,983	-	42,983
Unassigned, reported in:			
General fund	2,586,279	-	2,586,279
<b>Total fund balance</b>	<b>4,550,792</b>	<b>1,153,861</b>	<b>5,704,653</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,634,869</b>	<b>\$ 1,281,150</b>	
Amounts reported for governmental activities in the district wide statement of net position (Exhibit A-1) are different because:			
Prepaid assets are reported as expenditures in the governmental fund financial statements, but in the district wide statement of net position, they are reported as assets and amortized over time as the benefits are consumed.			102,968
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements.			2,700,140
Accrued pension liabilities are not recorded in the governmental fund financial statements, as the related obligations are not due and payable at year-end. These amounts are recognized in the district wide financial statements.			(68,623)
Deferred outflows and inflows of resources related to pensions, other postemployment benefits and length of service awards program are applicable to future reporting periods and, therefore, are not reported in the governmental fund financial statements.			(162,163)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund financial statements.			(4,489,017)
<b>Total net position - Governmental Activities</b>	<b>\$ 3,787,958</b>		

EXHIBIT B-2

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the year ended December 31, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Totals Governmental Funds</u>
<b>Revenues:</b>			
Miscellaneous revenues:			
Interest on investments and deposits	\$ 83,931	\$ 28,061	\$ 111,992
Appreciation in the value of length of service awards program	51,816	-	51,816
Other revenues	<u>86,593</u>	<u>-</u>	<u>86,593</u>
Total miscellaneous revenues	<u>222,340</u>	<u>28,061</u>	<u>250,401</u>
Operating grant revenues:			
Supplemental Fire Service Act	<u>9,486</u>	<u>-</u>	<u>9,486</u>
Total operating grant revenue	<u>9,486</u>	<u>-</u>	<u>9,486</u>
Revenues offset with appropriations:			
Uniform Fire Safety Act:			
Annual registration fees	239,946	-	239,946
Penalties and fines	66,089	-	66,089
Other revenues	<u>85,177</u>	<u>-</u>	<u>85,177</u>
Total Uniform Safety Act	<u>391,212</u>	<u>-</u>	<u>391,212</u>
Total revenue offset with appropriations	<u>391,212</u>	<u>-</u>	<u>391,212</u>
Amount to be raised by taxation to support budget	<u>2,237,369</u>	<u>-</u>	<u>2,237,369</u>
Total revenues	<u>2,860,407</u>	<u>28,061</u>	<u>2,888,468</u>
<b>Expenditures:</b>			
Operating appropriations:			
Administration:			
Salaries and wages	117,286	-	117,286
Fringe benefits	65,634	-	65,634
Other expenditures:			
Election expense	17,139	-	17,139
Office and other expenses	86,250	-	86,250
Professional fees	75,199	-	75,199
Utilities	<u>18,084</u>	<u>-</u>	<u>18,084</u>
Total administration	<u>379,592</u>	<u>-</u>	<u>379,592</u>
Cost of operations and maintenance:			
Salaries and wages	434,236	-	434,236
Fringe benefits	51,430	-	51,430
Other expenditures:			
Advertising	4,222	-	4,222
Dental and prescriptions	12,889	-	12,889
Dues and subscriptions	6,842	-	6,842
Fire prevention services	181,740	-	181,740
Insurance	182,581	-	182,581
Maintenance and repairs	295,019	-	295,019
Other non-bondable assets	133,548	-	133,548
Rent	125,208	-	125,208
Training and education	15,057	-	15,057
Uniforms	<u>20,974</u>	<u>-</u>	<u>20,974</u>
Total cost of operations and maintenance	<u>1,463,746</u>	<u>-</u>	<u>1,463,746</u>

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

EXHIBIT B-2  
(continued)

FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)  
For the year ended December 31, 2024

	General Fund	Capital Projects Fund	Totals Governmental Funds
Operating appropriations offset with revenues:			
Salaries and wages	259,400	-	259,400
Fringe benefits	169,433	-	169,433
Other expenditures:			
Fire prevention services	44,841	-	44,841
Total operating appropriations offset with revenues	473,674	-	473,674
Length of service awards program:			
Participant withdrawals	87,039	-	87,039
Total length of service awards program	87,039	-	87,039
Capital appropriations:			
Fire truck pumper	-	787,899	787,899
Fire prevention vehicle	-	100,000	100,000
Total capital appropriations	-	887,899	887,899
Total operating appropriations	2,404,051	887,899	3,291,950
Excess (deficiency) of revenues over (under) operating appropriations before other financing sources (uses)	456,356	(859,838)	(403,482)
Other financing sources (uses):			
Transfer to the Capital Projects Fund from the General Fund	(900,000)	-	(900,000)
Transfer from the General Fund to the Capital Projects Fund	-	900,000	900,000
Total other financing sources (uses)	(900,000)	900,000	-
Excess (deficiency) of revenues and other financing sources over (under) operating appropriations and other financing (uses)	(443,644)	40,162	(403,482)
Fund balance, January 1	4,994,436	1,113,699	6,108,135
Fund balance, December 31	\$ 4,550,792	\$ 1,153,861	\$ 5,704,653

EXHIBIT B-2A

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the District Wide Statement of Activities**  
**December 31, 2024**

Total net changes in Fund Balance - Governmental Funds (Exhibit B-2) \$ (403,482)

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

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

	Prior year	(102,968)
	Current year	<u>102,968</u>

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

Length of service awards program benefit (or expense)	115,427
Length of service awards program contribution	(159,416)
Participant withdrawals	87,039
Appreciation in the value of length of service awards program	<u>(51,816)</u>
	(8,766)

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

Capital Outlay - Capital Projects Fund	887,899
Depreciation expense	<u>(282,303)</u>
	605,596

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

Pension benefit (or expense)	15,959
	<u>15,959</u>

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

Other post-employment benefit (or expense)	161
	<u>161</u>
Change in total net position - Governmental Activities	\$ 209,468
	<u>\$ 209,468</u>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements**

**NOTE 1: GENERAL INFORMATION**

**Description of Reporting Entity**

Fire District No. 3 of the Township of Old Bridge (hereafter referred to as the District) is a political subdivision of the Township of Old Bridge, County of Middlesex, State of New Jersey. A board of five commissioners oversees all of the operations of the District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

The District is governed by the *N.J.S.A. 40A: 14-70* et al. and is a taxing authority charged with the responsibility of providing the resources necessary to provide firefighting services to the residents within its territorial location.

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

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

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

**District Officials**

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

<b>Officials</b>	<b>Term Expires:</b>
	<b>March</b>
Dennis Cahill	2027
Martin F. Ruane	2028
Michael Sassi	2027
Bertus A. Shelters, IV	2028
Kenneth R. Totten	2026

**Accounting Records**

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

**Minutes**

Minutes were recorded for meetings and contained approvals for disbursements.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Component Units**

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

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

**Basis of Presentation**

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

The basic financial statements report using the economic resources measurement focus and the accrual basis of accounting generally include the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements also report using the same focus. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The tax revenues are recognized in the year for which they are levied (see Note 2: *Fire District Taxes*) while grants are recognized when grantor eligibility requirements are met.

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

**Fund Accounting**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Fund Accounting (continued)**

**Governmental Funds:**

*General Fund*

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

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as firehouses and firefighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question of the ballot either during the annual election or at a special election.

**District Wide and Fund Financial Statements**

The district wide financial statements (Exhibit A-1 and Exhibit A-2) include the district wide statement of net position and the district wide statement of activities. These statements report financial information of the District as a whole excluding the fiduciary activities. All inter-fund activity, excluding the fiduciary funds, has been eliminated in the district wide statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees. The district wide statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit.

Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements provide detail of the governmental funds.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Basis of Accounting**

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

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

**Budgets and Budgetary Accounting**

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

The Board must introduce and adopt the annual budget no later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

Amendments may be made to the District budget in accordance with *N.J.S.A 40A: 14-78.3*. The budget may be amended subsequent to its final adoption and approval for additional items of revenue with offsetting appropriations in accordance with *N.J.S.A 40A: 14-78.5*. Subsequent to the adoption of the District budget, the amount of money to be raised by taxation in support of the District budget must appear on the ballot for the annual election for approval of the legal voters.

The District has a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the District's general-purpose financial statements.

**Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. As of December 31, 2024, the district did not recognize encumbrances.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds and cash in banks. Fire Districts are required by *N.J.S.A. 40A: 5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. *N.J.S.A. 40A: 5-15.1* provides a list of investments that may be purchased by fire districts. *N.J.S.A. 17:9-42* requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

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

**Accounts Receivable**

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

**Prepaid Assets**

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

**Investments**

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

**Capital Assets, Net**

Capital assets which include, and apparatus and vehicles, building and building improvements, firematic and other equipment, are reported in the district wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Capital Assets, Net (continued)**

The District has set capitalization thresholds for reporting capital assets of \$2,000. Depreciation is recorded on the straight-line method (with depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

<u>Description:</u>	<u>Useful Lives</u>
Apparatus and vehicles	5 – 25 Years
Building and building improvements	7 – 25 Years
Firematic and other equipment	3 – 20 Years

**Debt Limitation**

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

**Inventory, Materials and Supplies**

The inventory on hand at any time is small. Accordingly, purchases are charged directly to fixed assets or to maintenance costs, as applicable.

**Other Receivables and Payables**

Other receivables and payables are interfund receivables and payables that arise from transactions between funds that are due within one year are recorded by all funds affected by such transactions in the periods in which the transaction is executed.

**Revenues and Expenditures – Governmental Funds**

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

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

**Fire District Taxes**

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Net Pension, Length of Service Awards Program, and Other Post-employment Benefits Liability**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires participating employers, including the District, in the State of New Jersey Public Employee's Retirement System (PERS) plan and the State of New Jersey Police and Fireman's Retirement System (PFRS) plan to recognize their proportionate share of the collective total pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 8: *Pension Obligations* for more information about the plan.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, requires employers to recognize their total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for pension benefits provided through arrangements that are not administered through a trust meeting the criteria of GASB 68. Under GASB 73, the employer measures its total pension liability as of the reporting date and recognizes all related amounts directly in its financial statements. See Note 9: *Length of Service Awards Program* for more information about the plan.

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

**Fund Equity**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making District and does not lapse at year-end.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Fund Equity (continued)**

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Fire Commissioners.
- Unassigned – includes balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds

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

**Net Position**

Net position represents the difference between summation of assets and the summation of liabilities. Net position is classified as the following three components:

- Investment in Capital Assets, Net – Represent capital assets, net of accumulated depreciation, and reduced by any related outstanding debt incurred for their acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Use of Estimates**

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

**Impact of Recently Issued Accounting Pronouncements**

*Accounting Pronouncements Adopted in Current Year*

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

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

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Impact of Recently Issued Accounting Pronouncements (continued)**

*Accounting Pronouncements Effective in Future Reporting Periods*

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

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

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

**Subsequent Events**

The District has evaluated subsequent events occurring after December 31, 2024 through the date of December 11, 2025, which is the date the financial statements were available to be issued.

**NOTE 3: CASH**

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

<b>Type:</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand deposits	\$ 3,436,142
Petty cash	200
Total	<u>\$ 3,436,342</u>

**Reconciliation to the Governmental Funds:**

General Fund:	
Current assets:	
Cash	\$ 2,155,192
Capital Projects Funds:	
Current assets:	
Cash	1,281,150
Total	<u>\$ 3,436,342</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 3: CASH (continued)**

**Custodial Credit Risk (continued)**

As of December 31, 2024, the District's bank balance of \$3,573,706 exposed to custodial credit risk as follows:

Insured	\$ 750,000
Collateralized in the District's name under GUPA	2,716,821
Uninsured and uncollateralized	106,885
<b>Total</b>	<b><u>\$ 3,573,706</u></b>

**NOTE 4: INVESTMENTS HELD AT FAIR VALUE**

**Custodial Credit Risk**

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

**Investment Interest Rate Risk**

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

**Investment Credit Risk**

The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 4: INVESTMENTS HELD AT FAIR VALUE (continued)**

**Fair Value Measurement**

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

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

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

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

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

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

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

*Certificates of Deposit* – Approximate fair value, based on estimates using current market rates offered for deposits with similar remaining maturities.

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

	<b>Level I</b>	<b>Level II</b>	<b>Level III</b>	<b>Total</b>
<i>Certificates of Deposit</i>	\$ -	\$ 537,743	\$ -	\$ 537,743
Total investments at fair value	\$ -	\$ 537,743	\$ -	\$ 537,743

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

The District invests in the Empower Retirement general investment fund, which totaled \$1,814,645 as of December 31, 2024. Empower Retirement maintains the contributions in the general investment fund (GIA). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the District is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP plan. The District's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Empower Retirement or the LOSAP plan. For this reason, such contracts are referred to as "evergreen" contracts and do not define a maturity date. No events are probable of occurring might limit the ability of the LOSAP plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value (See Note 2: *Investments*).

**NOTE 6: CAPITAL ASSETS, NET**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets being depreciated:				
Apparatus and vehicles	\$ 5,929,813	\$ 887,899	\$ -	\$ 6,817,712
Building and building improvements	587,565	-	-	587,565
Firematic and other equipment	1,300,542	-	-	1,300,542
Total capital assets being depreciated	<u>7,817,920</u>	<u>887,899</u>	<u>-</u>	<u>8,705,819</u>
Less: accumulated depreciation:				
Apparatus and vehicles	(4,015,857)	(228,344)	-	(4,244,201)
Building and building improvements	(548,103)	(23,932)	-	(572,035)
Firematic and other equipment	(1,159,416)	(30,027)	-	(1,189,443)
Total accumulated depreciation	<u>(5,723,376)</u>	<u>(282,303)</u>	<u>-</u>	<u>(6,005,679)</u>
Total capital assets, net	<u>\$ 2,094,544</u>	<u>\$ 605,596</u>	<u>\$ -</u>	<u>\$ 2,700,140</u>

**NOTE 7: LONG-TERM OBLIGATIONS (NON-CURRENT LIABILITIES)**

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 7: LONG-TERM OBLIGATIONS (NON-CURRENT LIABILITIES) (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Net pension liability	\$ 660,449	\$ -	\$ (105,586)	\$ 554,863	\$ -
Investment in length of service awards program liability	2,597,216	-	(170,521)	2,426,695	-
Net other post-employment benefits liability	986,980	520,479	-	1,507,459	-
<b>Total</b>	<b><u>\$ 4,244,645</u></b>	<b><u>\$ 520,479</u></b>	<b><u>\$ (276,107)</u></b>	<b><u>\$ 4,489,017</u></b>	<b><u>\$ -</u></b>

**Net Pension Liability**

For details on the net pension liability, see Note 8: *Pension Obligations*. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

**Length of Service Awards Program**

For details on the length of service awards program liability, refer to Note 9: *Length of Service Awards Program*. The District's annual required contribution to the length of service awards program is budgeted and paid from the general fund on an annual basis.

**Other Postemployment Benefits Liability**

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

**NOTE 8: PENSION OBLIGATIONS**

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

**Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Plan Description (continued)**

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

**Basis of Presentation**

The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2024, the State's pension contribution was more than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the District's contractually required contribution to PERS plan was \$16,885.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Components of Net Pension Liability**

At December 31, 2024, the District's proportionate share of the PERS net pension liability was \$168,612. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The District's proportion measured as of June 30, 2024, was 0.00124% which was a decrease of 0.00108% from its proportion measured as of June 30, 2023.

	<b>Balance December 31,</b>	
	<b>2024</b>	<b>2023</b>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 16,110	\$ 22,889
Deferred Inflows of Resources	147,356	56,799
Net Pension Liability	168,612	336,564
District's portion of the plan's total Net Pension Liability	0.00124%	0.00232%

**Pension Expense (Benefit) and Deferred Outflows/Inflows of Resources**

At December 31, 2024, the District's proportionate share of the PERS (benefit) expense, calculated by the plan as of the June 30, 2024 measurement date is \$(53,730). At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,378	\$ 449
Changes of assumptions	209	1,918
Net difference between projected and actual earnings on pension plan investments	-	7,818
Changes in proportion and differences between the District's contributions and proportion share of contributions	<u>12,523</u> <u>\$ 16,110</u>	<u>137,171</u> <u>\$ 147,356</u>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

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

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

<b>Year Ending</b>	<b>Amount</b>
<b>December 31,</b>	
2025	\$ (32,089)
2026	(19,391)
2027	(28,117)
2028	(26,770)
2029	(24,879)
<b>Total</b>	<b><u>\$ (131,246)</u></b>

**Special Funding Situation**

Under *N.J.S.A. 43:15A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, 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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$544.

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Actuarial Assumptions (continued)**

The actuarial valuations used the following actuarial assumptions:

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75% - 6.55%

Based on Years of Service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**Long-Term Expected Rate of Return**

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

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

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

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

	<b>Current</b>		
	<b>1 % Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the Net Pension Liability	\$ 225,930	\$ 168,612	\$ 122,462

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Plan Description**

The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the annual financial statements which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>. The vesting and benefit provisions are set by *N.J.S.A. 43:16A*. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service. The following represents the membership tiers for PFRS:

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

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

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions**

The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Contributions (continued)**

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the District's contractually required contribution to PFRS plan was \$51,738.

**Net Pension Liability and Pension Expense**

At December 31, 2024, the District's proportionate share of the PFRS net pension liability was \$386,251. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The District's proportion measured as of June 30, 2024, was 0.00374 which was an increase of 0.00081% from its proportion measured as of June 30, 2023.

	<b>Balance December 31,</b>	
	<b>2024</b>	<b>2023</b>
Actuarial valuation date (including rollforward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 287,357	\$ 335,870
Deferred Inflows of Resources	125,328	180,094
Net Pension Liability	386,251	323,885
District's portion of the plan's total Net Pension Liability	0.00374%	0.00293%

**Pension (Benefit) Expenses and Deferred Outflows/Inflows of Resources**

On December 31, 2024, the District's proportionate share of the PFRS (benefit) expenses calculated by the plan as of June 30, 2024, measurement date was \$107,858. At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 24,334	\$ 13,223
Changes of assumptions	611	11,344
Net difference between projected and actual earnings on pension plan investments	-	3,023
Changes in proportion and differences between the District's contributions and proportion share of contributions	262,412	97,738
	<u>\$ 287,357</u>	<u>\$ 125,328</u>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Pension (Benefit) Expenses and Deferred Outflows/Inflows of Resources (continued)**

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

<b>Year Ending December 31,</b>	<b>Amount</b>
2025	\$ 14,226
2026	54,492
2027	27,524
2028	30,422
2029	35,170
Thereafter	195
<b>Total</b>	<b><u>\$ 162,029</u></b>

**Special Funding Situation**

Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. Additionally, the State's proportionate share of the PFRS net pension liability attributable to the District is \$386,251 as of December 31, 2024. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2034, to the measurement date of June 30, 2024.

The State's proportion of the net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2024, was 0.00374%, which was an increase of 0.00081%, from its proportion measured as of June 30, 2023, which is the same proportion as the District's. At December 31, 2024, the District's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

District's proportional share of net pension liability	\$ 386,251
State of New Jersey's proportionate share of net pension liability associated with the District	76,149
	<b><u>\$ 462,400</u></b>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

**Special Funding Situation (continued)**

At December 31, 2024, the State's proportionate share of the PFRS expense, associated with the District, calculated by the plan as of the June 30, 2024, measurement date was \$8,760.

**Actuarial Assumptions**

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

**Inflation:**

Price	2.75%
Wage	3.25%

**Salary Increases:**

Through:	All Future Years
	3.25% - 16.25%

Based on Years of Service

Investment Rate of Return	7.00%
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Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

**Long-Term Expected Rate of Return**

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

**Discount Rate**

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

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

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 8: PENSION OBLIGATIONS (continued)**

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

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

	<b>1 % Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the Net Pension Liability	\$ 551,867	\$ 386,251	\$ 248,329
State's proportionate share of the Net Pension Liability Associated with the District	<u>108,799</u> \$ 660,666	<u>76,149</u> \$ 462,400	<u>48,958</u> \$ 297,287

**Related Party Investments**

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

**NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description**

The District's Length of Service Awards Program (LOSAP) provides tax deferred income benefits to active volunteer firefighters. The plan is intended to comply with Section 457(e)(11)(A)(ii) of the Internal Service Code of 1986, as amended. The assets of the plan are invested in a fixed-income Group Annuity Contract with Empower Retirement (Empower) which Empower funds invested for various Length of Service Awards Program customers along with funds in Empower's general account.

**Contributions**

The District has a contractual obligation to pay the LOSAP benefits to eligible members. Assets that are designated to pay the LOSAP benefits are available to the unsecured creditors of the District. As such, the assets and liabilities of the LOSAP are included in the financial statements of the District. For the year ended December 31, 2024 the District's contractually required contribution to the plan was \$159,416.

**Basis of Presentation**

The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of LOSAP to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (continued)**

**Components of Net Pension Liability**

At December 31, 2024, the District's net pension liability relating to the length of service awards program was \$2,426,695. The net pension liability was measured as of December 31, 2024. The net pension liability was determined using update procedures to roll forward the total net pension liability from an actuarial valuation as of December 31, 2024, which was rolled forward to December 31, 2023. The components of the net pension liability at December 31, 2024, were as follows:

	<b>Collective Balances December 31,</b>	
	<b>2024</b>	<b>2023</b>
Actuarial valuation date (including rollforward)		
Deferred Outflows of Resources	\$ 135,634	\$ 361,615
Deferred Inflows of Resources	557,095	603,789
Net Pension Liability	2,426,695	2,597,216

The following table shows the changes in the net pension liability as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension liability (a)</b>	<b>Plan Fiduciary net position (b)</b>	<b>Net Pension liability (a) - (b)</b>
Balance at December 31, 2023	\$ 2,597,216	\$ -	\$ 2,597,216
Changes for the year:			
Service costs	19,029	-	19,029
Interest	109,298	-	109,298
Differences in expected and actual experience	(51,297)	-	(51,297)
Changes in assumptions	(158,292)	-	(158,292)
Benefit payments and expenses	(89,259)	-	(89,259)
Net changes	(170,521)	-	(170,521)
Balance at December 31, 2024	<u>\$ 2,426,695</u>	<u> </u>	<u>\$ 2,426,695</u>

**Pension Expense**

The pension expense, calculated by the plan as of December 31, 2024, measurement date is \$98,025 as follows:

<b>Note:</b>	<b>Description:</b>	<b>Amount</b>
A	Service Costs	\$ 19,029
B	Interest on the total pension liability	109,298
A	Changes of benefit terms	-
C	Differences between expected and actual experience	(25,093)
C	Changes in assumptions	(5,209)
	Total pension expense related to length of service awards program	<u>\$ 98,025</u>

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (continued)**

**Pension Expense (continued)**

**Notes:**

- A      Provided in the changes in net pension liability exhibit.
- B      Based on the following calculation:

	<u>Amount for Period (a)</u>	<u>Portion of Period (b)</u>	<u>Projected Rate of Return (c)</u>	<u>Projected Earnings (a) x (b) x (c)</u>
Beginning total pension liability	\$ 2,597,216	100%	4.28%	\$ 111,161
Service cost (year-end)	19,029	0%	4.28%	
Benefit payments	(87,039)	50%	4.28%	<u>(1,863)</u>
Total interest on the total pension liability				<u>\$ 109,298</u>

- C      Provided in the schedules of deferrals.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to LOSAP**

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to LOSAP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,008	\$ 72,408
Changes in assumptions	<u>130,626</u>	<u>484,687</u>
	<u>\$ 135,634</u>	<u>\$ 557,095</u>

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to the length of service awards program that will be recognized as pension expense in future periods:

Year Ending December 31,	<u>Amount</u>
2025	\$ (153,766)
2026	(215,297)
2027	(52,398)
2028	-
2029	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (continued)**

**Actuarial Assumptions (continued)**

Inflation	0.0%
Salary increases	Not applicable
Investment rate of return	4.28% percent, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the January 1, 2024, actuarial valuation report.

**Discount Rate**

The discount rate used to measure the total pension liability was 4.28% which is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024.

**Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate**

The following presents the District's net pension liability calculated using the discount rate as disclosed above, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current rate:

	Current		
	1 % Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Net pension liability	<u>\$ 2,746,162</u>	<u>\$ 2,426,695</u>	<u>\$ 2,160,921</u>

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS**

**General Information about the OPEB Plan (continued)**

Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2024 were \$4,833,833,875 and \$12,914,432,673, respectively.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Allocation Methodology (continued)**

The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

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

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

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

**Salary Increases\*:**

Public Employees' Retirement System (PERS):

Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate of all future years 3.25% to 16.25%

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

*Pre-retirement healthy mortality*

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

*Post-retirement healthy mortality*

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Net OPEB Liability (continued)**

*Disabled retiree mortality*

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

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

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

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

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

The District's proportionate share of the total Other Post-Employment Benefits Obligations was \$1,507,459. The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the District was 0.00842%, which was an increase of 0.00184% from its proportion measured as of June 30, 2023. For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$38,759 for the State's proportionate share of the OPEB (benefit) expense attributable to the District. This OPEB (benefit) expense was based on the OPEB plans June 30, 2024, measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% decreasing to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Discount Rate**

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

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

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

	<u>1 % Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1 % Increase</u>
State's proportionate share of the Net OPEB Liability associated with the District	<u>\$ 1,275,003</u>	<u>\$ 1,507,459</u>	<u>\$ 1,806,333</u>
State's Total Nonemployer OPEB Liability	<u>\$ 15,144,352,142</u>	<u>\$ 17,905,445,505</u>	<u>\$ 21,455,435,620</u>

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the collective net OPEB liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>1 % Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
State's proportionate share of the Net OPEB Liability associated with the District	<u>\$ 1,756,028</u>	<u>\$ 1,507,459</u>	<u>\$ 1,308,378</u>
State's Total Nonemployer OPEB Liability	<u>\$ 20,857,914,273</u>	<u>\$ 17,905,445,505</u>	<u>\$ 15,540,780,410</u>

**Additional Information**

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Additional Information (continued)**

	<b>Balance December 31,</b>	
	<b>2024</b>	<b>2023</b>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 788,964	\$ 342,184
Deferred Inflows of Resources	560,449	634,309
Net OPEB Liability	1,507,459	986,980
District's portion of the plan's total Net Pension Liability	0.00842%	0.00658%

**OPEB Deferred Outflows/Inflows of Resources**

At December 31, 2024, the District's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2024 measurement date is \$788,964 and \$560,449, respectively. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 76,342	\$ 255,415
Changes of assumptions	252,019	250,229
Net difference between projected and actual earnings on pension plan investments	-	682
Changes in proportion	<u>460,603</u>	<u>54,123</u>
	<u><u>\$ 788,964</u></u>	<u><u>\$ 560,449</u></u>

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

<b>Year Ending December 31,</b>	<b>Amount</b>
2025	\$ (36,559)
2026	17,329
2027	51,068
2028	20,745
2029	34,290
Thereafter	<u>141,642</u>
Total	<u><u>\$ 228,515</u></u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

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

**Plan Membership**

At July 1, 2024, the Program membership consisted of the following:

Active plan members	60,691
Retirees currently receiving benefits	28,899
Total plan members	<u>89,590</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the measurement date June 30, 2024, is as follows:

Service cost	\$ 545,086,159
Interest on Total OPEB Liability	554,448,470
Changes in benefit terms	107,670,542
Differences in expected and actual experience	408,491,660
Changes in assumptions	1,735,990,164
Contributions from the employer	(399,436,504)
Contributions from non-employer contributing entities	(62,827,411)
Net investment income	(1,636,336)
Administrative expenses	<u>11,119,284</u>
Net changes	2,898,906,028
 Total OPEB Liability (Beginning)	 <u>15,006,539,477</u>
 Total OPEB Liability (Ending)	 <u>\$ 17,905,445,505</u>

**NOTE 11: DEFERRED COMPENSATION**

The Township of Old Bridge Fire District No. 3 Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and in accordance with Applicable New Jersey Statutes and the New Jersey Administrative Code *N.J.A.C. 5:37*. The plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under governing regulations. The plan is offered by the District through the program administrators the Variable Annuity Life Insurance Company. All monies deferred and any other assets or income of the plan funds held in trust, or one or more annuity contracts or one or more custodial accounts are for the exclusive benefit of the participating employees and their beneficiaries.

**NOTE 12: RISK MANAGEMENT**

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

**Property and Liability Insurance**

The District maintains commercial insurance coverage for property, liability and surety bonds. Insurance coverage was maintained in amounts consistent with prior years. The District did not have any claims that exceeded coverage.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 12: RISK MANAGEMENT (continued)**

**New Jersey Unemployment Compensation Insurance**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of the activity of the District for the unemployment claims for the current and prior two years:

<b>For the year ended December 31,</b>	<b>Contributions</b>	<b>Interest Earned</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>	
				<b>Unemployment Liability</b>	<b>Restricted for: Unemployment Reserve</b>
2024	\$ -	\$ 1,066	\$ -	\$ -	\$ 106,885
2023	3,893	762	-	-	105,819
2022	4,458	114	-	-	101,164

**NOTE 13: CONCENTRATIONS**

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

**NOTE 14: FUNDING**

The activities of the District are primarily funded by the striking of the fire tax on the property owners of the District, as provided for by the state statute. For the year ended December 31, 2024, the fire tax rate on the District was approximately \$.117 per \$100 of assessed valuation. The tax revenue is supplemented by income earned on surplus funds invested in a money market fund and investments during the year. The District also participates in the Supplemental Fire Services Program and received a basic entitlement grant of approximately \$9,486.

**NOTE 15: OTHER RECEIVABLES AND PAYABLES**

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

<b>Fund</b>	<b>Interfund receivable</b>	<b>Interfund payable</b>
General	\$ 127,289	\$ -
Capital Projects	-	127,289
<b>Total</b>	<b>\$ 127,289</b>	<b>\$ 127,289</b>

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 16: FUND BALANCE**

**Restricted**

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

*General Fund*

**Length of Service Awards Program (LOSAP)** - Pursuant to *N.J.S.A. 40A:14-187*, all accumulated proceeds shall remain restricted for the volunteer members. As a result, there exists at December 31, 2024 a restricted fund balance in the amount of \$1,814,645 for future benefit payments of volunteers

**Unemployment Compensation** – Pursuant to applicable statutory and regulatory requirements governing unemployment reserves, all accumulated proceeds must remain restricted for unemployment-related obligations. Accordingly, as of December 31, 2024, a restricted fund balance of \$106,885 exists for future unemployment benefit payments

*Capital Projects Fund*

**Capital Projects (Future Capital Outlays)** – These funds are restricted for future capital expenditures to be made in future years. When the District desires to utilize these funds in their annual budget, a capital resolution must be passed by the Board of Fire Commissioners prior to any expenditure against a capital appropriation. As of December 31, 2024, the balance is \$1,153,861.

**Assigned**

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

*General Fund*

**For Subsequent Year's Expenditures** – The District has appropriated for the year ending December 31, 2024, \$42,893 of general fund balance at December 31, 2024.

**Unassigned**

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

**General Fund** - As of December 31, 2024, \$2,586,279 of general fund balance was unassigned.

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Financial Statements (continued)**

**NOTE 17: DEFICIT UNRESTRICTED NET POSITION**

At December 31, 2024, the District had a deficit net position of \$476,395. The deficit results primarily from the recognition of long-term liabilities in accordance with GASB requirements, including the net pension liability, net OPEB (other postemployment benefits) liability, and length of service awards program liability, which are not funded on a current-year budgetary basis. These items are required to be reported in the district wide financial statements, which are prepared on the accrual basis of accounting. The District continues to meet its current operating obligations through the annual property tax levy and other budgeted revenues. The deficit net position does not indicate a lack of ability to meet current financial commitments but reflects the statutory and accounting differences between the District's budgetary practices (which focus on current financial resources) and the full accrual reporting required under GAAP and GASB.

SCHEDULE I

FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
 Budgetary Comparison Schedule  
 For the year ended December 31, 2024

	Original Budget	Modified Budget	Actual Budgetary Basis	Variance
<b>Revenues:</b>				
Miscellaneous revenues:				
Interest on investments and deposits	\$ 80,000	\$ 80,000	\$ 111,992	\$ 31,992
Other revenues	-	-	86,593	86,593
Total miscellaneous revenues	80,000	80,000	198,585	118,585
Operating grant revenues:				
Supplemental Fire Service Act	9,486	9,486	9,486	-
Total operating grant revenue	9,486	9,486	9,486	-
Revenues offset with appropriations:				
Uniform Fire Safety Act:				
Annual registration fees	328,217	328,217	239,946	(88,271)
Penalties and fines	-	-	66,089	66,089
Other revenues	-	-	85,177	85,177
Total Uniform Safety Act	328,217	328,217	391,212	62,995
Total revenue offset with appropriations	328,217	328,217	391,212	62,995
Amount to be raised by taxation to support budget	2,237,369	2,237,369	2,237,369	-
Total anticipated revenues	2,655,072	2,655,072	2,836,652	181,580
<b>Expenditures:</b>				
Operating appropriations:				
Administration:				
Salaries and wages	125,944	117,944	117,286	658
Fringe benefits	82,626	66,626	65,634	992
Other expenditures:				
Electoral expense	25,000	25,000	17,139	7,861
Office and other expenses	90,000	90,000	86,250	3,750
Professional fees	52,500	76,500	75,199	1,301
Utilities	20,500	20,500	18,084	2,416
Total administration	396,570	396,570	379,592	16,978
Cost of operations and maintenance:				
Salaries and wages	533,225	531,362	434,236	97,126
Fringe benefits	255,745	111,492	51,430	60,062
Other expenditures:				
Advertising	10,000	10,000	4,222	5,778
Dental and prescriptions	10,000	13,000	12,889	111
Dues and subscriptions	7,500	7,500	6,842	658
Fire prevention services	181,107	182,107	181,740	367
Insurance	220,000	220,000	182,581	37,419
Maintenance and repairs	255,000	296,000	295,019	981
Other non-bondable assets	110,000	134,600	133,548	1,052
Rent	125,208	125,208	125,208	-
Training and education	28,500	15,500	15,057	443
Uniforms	80,000	21,000	20,974	26
Total cost of operations and maintenance	1,816,285	1,667,769	1,463,746	204,023

**SCHEDULE I**  
(continued)

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Budgetary Comparison Schedule (continued)**  
**For the year ended December 31, 2024**

	<b>Original Budget</b>	<b>Modified Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance</b>
Operating appropriations offset with revenues:				
Salaries and wages	257,537	259,400	259,400	-
Fringe benefits	22,780	169,433	169,433	-
Other expenditures:				
Fire prevention services	47,900	47,900	44,841	3,059
Total operating appropriations offset with revenues	328,217	476,733	473,674	3,059
Length of service awards program	169,000	169,000	159,416	9,584
Capital appropriations:				
Fire truck pumper	800,000	800,000	787,899	12,101
Fire prevention vehicle	100,000	100,000	100,000	-
Total capital appropriations	900,000	900,000	887,899	12,101
Total operating appropriations	3,610,072	3,610,072	3,364,327	245,745
(Deficiency) of revenues (under) operating appropriations	(955,000)	(955,000)	(527,675)	427,325
Fund balance, January 1	4,417,683	4,417,683	4,417,683	-
Fund balance, December 31	\$ 3,462,683	\$ 3,462,683	3,890,008	\$ 427,325

**RECAPITULATION OF FUND BALANCE**

Restricted fund balance:		
Capital		1,153,861
Unemployment compensation		106,885
Assigned fund balance:		
Subsequent year's expenditures		42,983
Unassigned fund balance		2,586,279
Total - budgetary basis		3,890,008
Reconciliation to governmental fund statements:		
Length of service awards program investment balance not recognized on the budgetary basis		1,814,645
Total fund balance - Governmental Funds	\$	5,704,653

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Required Supplementary Information**  
**Budgetary Basis to the Governmental Funds Financial Statements Reconciliation**  
**For the year ended December 31, 2024**

	<b>Total Governmental Funds</b>
Sources / inflows of resources:	
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Schedule I)	\$ 2,836,652
Difference from budgetary basis to the Governmental Funds Financial Statements:	
The budgetary basis differs in that the District does not budget for investment income related to the Length of Service Awards Program (LOSAP). GASB Statement No. 73 requires that investment appreciation in the LOSAP be reported in the financial statements using the current financial resources measurement focus and the modified accrual basis of accounting as follows:	
Appreciation in the value of length of service awards program	<u>51,816</u>
Total revenues as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2)	<u>\$ 2,888,468</u>
Uses / outflows of resources:	
Actual amounts (budgetary basis) operating appropriations from the budgetary comparison schedule (Schedule I)	\$ 3,364,327
Difference from budgetary basis to the Governmental Funds Financial Statements:	
The budgetary basis differs in that the District is required to budget for contributions to the Length of Service Awards Program (LOSAP). However, GASB Statement No. 73 requires that expenditures paid in accordance with the LOSAP be reported using the current financial resources measurement focus and the modified accrual basis of accounting as follows:	
Length of service awards program district contribution	(159,416)
Participant withdrawals	<u>87,039</u>
Total operating appropriations as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2)	<u>\$ 3,291,950</u>

FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System  
 Last Ten Fiscal Years

	Measurement Date Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.00124%	0.00232%	0.00221%	0.00222%	0.00219%	0.00286%	0.00290%
<u>\$</u> 168,612	<u>\$</u> 336,565	<u>\$</u> 334,080	<u>\$</u> 262,914	<u>\$</u> 357,109	<u>\$</u> 515,711	<u>\$</u> 571,161	<u>\$</u> 681,672
<u>\$</u> 116,022	<u>\$</u> 178,348	<u>\$</u> 163,148	<u>\$</u> 163,148	<u>\$</u> 155,251	<u>\$</u> 181,285	<u>\$</u> 203,377	<u>\$</u> 179,183
District's proportionate share of the net pension liability	145.33%	188.71%	204.77%	161.15%	230.02%	284.48%	280.56%
District's covered-employee payroll	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll							
Plan fiduciary net position as a percentage of the total pension liability							

Schedule III

FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE  
 Schedule of District Contributions  
 Public Employees' Retirement System  
 Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution										
Contributions in relation to the contractually required contribution	\$ 16,885	\$ 31,056	\$ 27,916	\$ 25,991	\$ 23,956	\$ 27,840	\$ 28,854	\$ 27,128	\$ 23,201	\$ 16,439
Contribution deficiency (excess)	(16,885)	(31,056)	(27,916)	(25,991)	(23,956)	(27,840)	(28,854)	(27,128)	(23,201)	(16,439)
District's covered-employee payroll	\$ 95,066	\$ 116,022	\$ 178,348	\$ 163,148	\$ 163,148	\$ 155,251	\$ 181,285	\$ 203,577	\$ 179,183	\$ 175,254
Contributions as a percentage of covered-employee payroll	17.76%	26.77%	15.65%	15.93%	14.68%	17.93%	15.92%	13.33%	12.95%	9.38%

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Police and Firemen's Retirement System**  
**Last Five Fiscal Years\***

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
District's proportion of the net pension liability	0.00374%	0.00293%	0.00274%	0.00139%	0.00318%
District's proportionate share of the net pension liability	\$ 386,251	\$ 323,885	\$ 313,770	\$ 101,397	\$ 410,747
State of New Jersey's proportionate share of the net pension liability associated with the district	76,149	59,680	55,842	28,518	63,746
<b>Total</b>	<b>\$ 462,400</b>	<b>\$ 383,565</b>	<b>\$ 369,612</b>	<b>\$ 129,915</b>	<b>\$ 474,493</b>
District's covered-employee payroll	\$ 150,155	\$ 108,846	\$ 93,934	\$ 52,684	\$ -
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	307.95%	352.39%	393.48%	246.59%	0.00%
Plan fiduciary net position (deficit) as a percentage of the total net pension liability	72.66%	70.16%	68.33%	77.26%	63.52%

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
 Schedule of District Contributions  
 Police and Firemen's Retirement System  
 Last Five Fiscal Years\*

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 51,738	\$ 39,023	\$ 35,651	\$ 16,168	\$ 35,513
Contributions in relation to the contractually required contribution	<u>(51,738)</u>	<u>(39,023)</u>	<u>(35,651)</u>	<u>(16,168)</u>	<u>(35,513)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 263,488</u>	<u>\$ 150,155</u>	<u>\$ 108,846</u>	<u>\$ 93,934</u>	<u>\$ 52,684</u>
Contributions as a percentage of covered-employee payroll	19.64%	25.99%	32.75%	17.21%	67.41%

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefit Liability**  
**Local Governmental Retired Employees Plan**  
**Last Nine Fiscal Years\***

	Measurement Date Ended June 30,					
	2024	2023	2022	2021	2020	2019
District's proportion of the other post-employment benefit liability	0.00842%	0.00558%	0.00659%	0.00663%	0.00576%	0.00626%
District's proportionate share of the net other post-employment benefit liability	\$ 1,507,459	\$ 986,980	\$ 1,063,935	\$ 1,191,745	\$ 1,033,366	\$ 847,849
District's covered-employee payroll	\$ 358,554	\$ 266,177	\$ 287,194	\$ 257,082	\$ 215,832	\$ 181,285
District's proportionate share of the net other postemployment benefit liability as a percentage of its covered-employee payroll	420.43%	370.80%	370.46%	464.34%	478.78%	467.69%
Plan fiduciary net position (deficit) as a percentage of the total other postemployment benefit liability	(0.89%)	(0.79%)	(0.36%)	0.28%	0.91%	1.98%
						0.69%
						0.69%

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
 Changes in the Net Pension Liability and Related Ratios  
 Length of Service Awards Program (LOSAP)  
 Last Eight Fiscal Years\*

	Measurement Date Ended June 30,					
	2024	2023	2022	2021	2020	2019
						2017
<b>Total net pension liability:</b>						
Service cost	\$ 19,029	\$ 26,472	\$ 25,477	\$ 55,108	\$ 52,001	\$ 46,527
Interest	109,298	91,968	135,504	59,273	56,308	65,516
Differences between expected and actual experience	(51,297)	6,433	(84,707)	(151)	10,736	31,415
Changes of assumptions	(138,292)	87,089	(914,923)	82,030	358,429	391,856
Payments for benefits and administrative expenses	(39,259)	(80,438)	(80,660)	(63,532)	(99,895)	(78,067)
Net change in total net pension liability	(170,521)	131,524	(919,309)	132,728	371,779	457,247
Total pension liability - beginning	\$ 2,597,216	\$ 2,465,692	\$ 3,385,001	\$ 3,252,273	\$ 2,874,494	\$ 2,417,247
Total pension liability - ending	<u>\$ 2,426,695</u>	<u>\$ 2,597,216</u>	<u>\$ 2,465,692</u>	<u>\$ 3,385,001</u>	<u>\$ 3,252,273</u>	<u>\$ 2,874,494</u>
Net pension liability	<u>\$ 2,426,695</u>	<u>\$ 2,597,216</u>	<u>\$ 2,465,692</u>	<u>\$ 3,385,001</u>	<u>\$ 3,252,273</u>	<u>\$ 2,874,494</u>
Plan fiduciary net position (deficit) as a percentage of the total net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	4	4	5	6	6	6
					7	8

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Required Supplementary Information**

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

*Changes in Benefit Terms*

None noted.

*Changes of Assumptions*

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

<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>
2024	7.00%	2019	6.28%
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%

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

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

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

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

*Changes in Benefit Terms*

None noted.

*Changes of Assumptions*

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

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

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

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

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

**FIRE DISTRICT NO. 3 OF THE TOWNSHIP OF OLD BRIDGE**  
**Notes to the Required Supplementary Information (continued)**

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

***Changes in Benefits***

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

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

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

***Changes of Assumptions***

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

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

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

**Length of Service Awards Program (LOSAP)**

***Changes in Benefit Terms***

None.

***Changes of Assumptions***

The discount rate used as of December 31, is as follows:

<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>	<b>Year</b>	<b>Rate</b>
2024	4.28%	2021	1.84%	2018	3.71%
2023	3.79%	2020	2.00%	2017	3.31%
2022	4.05%	2019	2.75%		

To the Board of Fire Commissioners of  
Fire District No. 3 of the Township of Old Bridge  
County of Middlesex  
Township of Old Bridge, State of New Jersey

We have audited the basic financial statements of the Fire District No. 3 of the Township of Old Bridge, County of Middlesex, State of New Jersey for the year ended December 31, 2024. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

#### **GENERAL COMMENTS AND RECOMMENDATIONS**

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

*N.J.S.A.40A:11-4* – Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement.

It is pointed out that the Fire District No. 3 of the Township of Old Bridge has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

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

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

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of *N.J.S.A.40A:11-6.1*.

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

### **Examination of Cash Receipts**

A test check of cash receipts was performed. The results of the test did not disclose any discrepancies.

### **Examination of Bills**

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

### **Payroll Examination**

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of Fire District No. 3 of the Township of Old Bridge's employees and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

### **Budget Adoption**

The State of New Jersey requires that Fire District No. 3 of the Township of Old Bridge's operating and capital budgets be approved and adopted for each fiscal year. Fire District No. 3 of the Township of Old Bridge approved its operating budget on November 15, 2023, and adopted its operating budget on January 17, 2024.

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

There were no current year's findings.

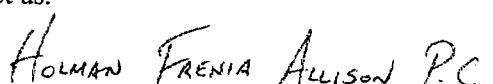
### **Follow-Up of Prior Year's Findings**

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

### **Acknowledgment**

We received the complete cooperation of all the staff of Fire District No. 3 of the Township of Old Bridge and we greatly appreciate the courtesies extended to the members of the audit team. During our audit, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions, please contact us.



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

December 11, 2025  
Lakewood, New Jersey

**RESOLUTION**

26-0121

**WHEREAS**, N.J.S.A. 40A:5A-5 requires the governing body of each Fire District to cause an annual audit of its accounts to be made, and

**WHEREAS**, the annual audit report for the fiscal year ended 2024 has been completed and filed with the \_\_\_\_\_ pursuant to N.J.S.A. 40A:5A-15, and

**WHEREAS**, N.J.S.A. 40A:5A-17, requires the governing body of each District to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member there of has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations," in accordance with N.J.S.A.40A:5A-17.

PD. OF FIRE COMM.

**NOW, THEREFORE BE IT RESOLVED**, that the governing body of the FD 3, OLD BICK GE hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended 2024, and specifically has reviewed the sections of the audit report entitled "General Comments" and "Recommendations," and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

**BE IT FURTHER RESOLVED** that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON 1-21-2024

  
\_\_\_\_\_  
Secretary

1-21-26  
\_\_\_\_\_  
Date