FLORENCE TOWNSHIP
FIRE DISTRICT NO. 1
County of Burlington

REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

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FLORENCE TOWNSHIP FIRE DISTRICT NO.1

			Page
	Roster of Officials		2
	FINANCIAL SECTION		
	Independent Auditor's Report		4
	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		7
	Required Supplementary Information - Part I		
	Management's Discussion and Analysis		10
	Basic Financial Statements		
A.	District-wide Financial Statements:		
	A-1	Statement of Net Position	18
	A-2	Statement of Activities	19
B.	Fund Financial Statements:		
	Governmental Funds:		
	B-1	Balance Sheet	21
	B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	22
	B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
	Notes to the Financial Statements		24
	Required Supplementary Information - Part II		
C.	Budgetary Comparison Schedules		
	C-1	Budgetary Comparison Schedule - General Fund	48
	C-2	Budgetary Comparison Schedule - Special Revenue Fund	50
	C-3	Budget-to-GAAP Reconciliation	51

Page

Required Supplementary Information - Part II

D. Schedules Related to Accounting and Reporting for Pensions (GASB-68)

D-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System 53

D-2 Schedule of the District Contributions - Public Employees Retirement System 54

D-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System 55

D-4 Schedule of the District Contributions - Police and Firemen's Retirement System 56

Notes to the Required Supplementary Information - Part III 57

Other Supplementary Information

E. Special Revenue Fund

E-1 Statement of Revenues and Expenditures 60

F. Long-Term Debt:

F-1 Schedule of Serial Bonds 62

F-2 Schedule of Obligations Under Capital Leases 63

F-3 Budgetary Comparison Schedule - Debt Service Fund 64

F-4 Schedule of Loan Payable 65

GENERAL COMMENTS AND RECOMMENDATIONS

Schedule of Findings and Questioned Costs 67

Summary Schedule of Prior Audit Findings 68

Appreciation 69

Introductory Section

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
FLORENCE, NEW JERSEY

ROSTER OF OFFICIALS
DECEMBER 31, 2021

Members of the Board of Commissioners

Robert Schoen - Chairman
Charles Bauer - Vice-Chairman
John Fratinardo - Secretary
Jason Ryan - Treasurer
Andrew Popso - Commissioner

Other Officials

Brian Richardson - Battalion Chief

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Florence Township Fire District No. 1
County of Burlington
Florence, New Jersey

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey as of December 31, 2021, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 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, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 29, 2022, on my consideration of the Florence Township Fire District No. 1's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florence Township Fire District No. 1's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert P. Inverso
Certified Public Accountant

Marlton, New Jersey
July 29, 2022

INVERSO & STEWART, LLC

Certified Public Accountants

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New Jersey Society of CPAs

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*

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Florence Township Fire District No. 1
County of Burlington
Florence, New Jersey

I 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 the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, and each major fund of Florence Township Fire District No. 1, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements, and have issued my report thereon dated July 29, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Florence Township Fire District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Florence Township Fire District No.1'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 Fire District'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Florence Township Fire District No. 1's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying *Schedule of Findings and Recommendations* as Finding no.: 2021-1.

The Florence Township Fire District's Response to Findings

The Florence Township Fire District's response to the finding identified in my report is described in the accompanying *Schedule of Findings and Recommendations*. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District'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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert P. Inverso
Certified Public Accountant

Marlton, New Jersey
July 29, 2022

Required Supplementary Information - Part I

Management's Discussion and Analysis

Florence Township Fire District No. 1
Management's Discussion and Analysis
For the Year Ended December 31, 2021

As management of the Florence Township Fire District No. 1, New Jersey (Fire District), we offer readers of the Fire District's financial statements this narrative overview and analysis of the Fire District for the fiscal year ended December 31, 2021.

Financial Highlights

- The liabilities of the Fire District exceeded its assets at the close of the most recent fiscal year by $1,416,385.
- Governmental activities have a deficit unrestricted net position of $991,388. The accounting treatments in the governmental funds for compensated absences payable, net pension liability and accrued interest payable is primarily responsible for this deficit.
- The total net position of the Fire District increased by $485,850, or a 25.54% increase from the prior fiscal year-end balance. The majority of the increase is attributable to General Fund results of operations, depreciation, and change in net pension liability.
- Fund balance of the Fire District's governmental funds increased by $221,007 resulting in an ending fund balance of $950,788. This increase is due to the net increase in the General Fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fire District's basic financial statements. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the Fire District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Fire District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the Fire District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the Fire District that are supported from taxes and intergovernmental revenues *(governmental activities)*. Governmental activities consolidate governmental funds including the General Fund, Capital Projects Fund, Special Revenue Fund and Debt Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the Fire District are *governmental funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The Fire District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The Fire District adopts an annual appropriated budget for the General Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

District-wide Financial Analysis

The assets of the Fire District are classified as current assets and capital assets. Cash, investments, and receivables are current assets. These assets are available to provide resources for the near-term operations of the Fire District. The majority of the current assets are the results of the bond proceeds.

Capital assets are used in the operations of the Fire District. These assets are land, construction in progress, buildings, and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2022. Long-term liabilities such as long-term debt obligations will be liquidated from resources that will become available after fiscal year 2021. The liabilities of the primary government activities exceeded assets by $1,416,385 with a deficit unrestricted balance of $991,388. The net position of the primary government does not include internal balances.

A net investment of $1,598,608 in land, buildings, and equipment which provide the services to the Fire District's citizens is offset by $2,182,462 in related debt obligations. Net position of $98,857 has been restricted for appropriation in the 2022 Budget and $60,000 has been restricted for future capital projects.

Florence Township Fire District No. 1
Statement of Changes in Net Position
For the Year Ended December 31, 2021 and 2020

	2021	2020
Assets:		
Current assets	$ 964,374	$ 806,274
Capital assets, net	1,598,608	1,964,427
Total assets	2,562,982	2,770,701
Deferred Outflows of Resources	725,589	707,695
Liabilities:		
Current Liabilities	511,889	564,868
Noncurrent Liabilities	2,965,237	3,763,194
Total liabilities	3,477,126	4,328,062
Deferred Inflows of Resources	1,227,830	1,052,569
Net position	$ (1,416,385)	$ (1,902,235)
Net Investment in Capital Assets	$ (583,854)	$ (550,129)
Restricted net position	158,857	240,000
Unrestricted net position	(991,388)	(1,592,106)
Net position	$ (1,416,385)	$ (1,902,235)

Governmental Activities

Net position of the Fire District increased by $485,850 during the current fiscal year. Key elements of the increase in net position for the district are as follows:

- Depreciation expense of $395,733
- Net decrease of long-term debt in the amount of $331,573
- Results of operations totaling $221,007
- Net change in pension liability of $305,021

Florence Township Fire District No. 1
Changes in Net Position
For the Year Ended December 31, 2021 and 2020

	2021	2020
Revenues:		
General Revenues:		
Property Taxes	$ 2,323,580	$ 2,292,771
Unrestricted State Aid	4,012	4,012
Other Revenues	382,084	329,627
Total Revenues	2,709,676	2,626,410
Expenses:		
Governmental Activities:		
Administration	35,768	38,336
Cost of Operations	1,715,725	1,804,855
Interest on long-term		
Debt	67,672	75,966
Unallocated	404.661	451.856
Total Expenses	2,223,826	2,371,013
Changes in net position	485,850	255,397
Net position, January 1	(1,902,235)	(2,157,632)
Net position, December 31	$ (1,416,385)	$ (1,902,235)

Financial Analysis of the Governmental Funds

As noted earlier, the Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Fire District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Fire District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Fire District's governmental funds reported a combined ending fund balance of $950,788, an increase of $221,007 in comparison with the prior year. The increase is attributable to the results of operations in the General fund.

The unassigned fund balance for the Fire District at the end of the fiscal year includes an unassigned fund balance for the General Fund of $791,931. Fund balance in the amount of $98,857, is reserved to indicate that it is not available for new spending because it has already been committed as a revenue source in the subsequent year's budget, and $60,000 is reserved for future capital outlays.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance of the general fund was $791,931 while total fund balance was $950,788. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Actual expenditures of the General Fund including other financing uses amounted to $2,126,910. Unassigned fund balance (budgetary basis) represents 37.23% of expenditures while total fund balance represents 44.70% of that same amount.

Capital Asset and Debt Administration

The Fire District's investment in capital assets for its governmental activities as of December 31, 2021, totaled $1,598,608 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was $365,819, or an 18.62% decrease which is due to the depreciation expense net of additions and deletions.

Capital Asset (net of accumulated depreciation)
For the Year Ended December 31, 2021 and 2020

	2021	2020
Land	$ 95,145	$ 95,145
Equipment in Progress		
Buildings	800,967	1,001,210
Equipment	702,496	868,072
Total	$ 1,598,608	$ 1,964,427

Additional information on the Fire District's capital assets can be found in the notes to the basic financial statements (Note 3) of this report.

Long-term debt – During the fiscal year ended December 31, 2021, the Fire District had $1,985,000 serial bonds payable, $197,462 capital lease payable, $99,119 compensated absences payable and $1,001,451 net pension liability.

State statutes limit the amount of general obligation debt that the Fire District may issue. At the end of the current fiscal year, the legal debt limit was $25,485,102. The available amount as of December 31, 2021 is $23,500,102.

Additional information on the Fire District's debt obligations can be found in the notes to the basic financial statements (Note 5) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the Fire District's budget for the 2022 calendar year.

For the 2022 calendar year the Fire District local tax levy increased by $201,778 or 8.68% which resulted no increase in the tax rate. The 2022 Budget is $158,135 more than the previous year or a 5.38% increase due to the increase in personnel costs.

For the Future

The Florence Township Fire District No. 1 is in good financial condition presently. However, a major concern is the continued growth of the Township and the ability to provide quality service at an affordable cost.

In conclusion, the Florence Township Fire District No. 1 has committed itself to financial excellence for many years. In addition, the Fire District's system for financial planning and budgeting are well regarded. The Fire District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Florence Township Fire District No. 1 Board of Fire Commissioners, 401 Firehouse Lane, Florence, New Jersey, 08518.

Basic Financial Statements

District-Wide Financial Statements

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 716,344
Receivables, net	248,030
Capital assets, net (Note 3)	1,598,608
Total Assets	2,562,982
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows of resources from pensions	658,621
Deferred loss on defeasance of debt	66,968
Total Deferred Outflows	725,589
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	3,288,571
LIABILITIES:	
Accounts payable related to pensions	151,896
Accounts payable	13,586
Accrued interest	28,612
Noncurrent liabilties (Note 5)	
Due within one year	317,795
Due beyond one year	1,963,786
Net pension liability	1,001,451
Total Liabilities	3,477,126
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources from pensions	1,227,830
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	4,704,956
NET POSITION:	
Net investment in capital assets	(583,854)
Restricted for:	
Capital projects	60,000
Other purposes	98,857
Unrestricted	(991,388)
Total Net Position	$ (1,416,385)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Administration:					
Salary and wages	$ 13,125	$ -	$ -	$ -	$ (13,125)
Fringe benefits	1,004				(1,004)
Other expenses	21,639				(21,639)
Cost of Operations:					
Salary and wages	1,195,218			32,781	(1,162,437)
Fringe benefits	422,693			343,276	(79,417)
Other expenses:					
Supplies and materials	280,725				(280,725)
Insurance	122,226				(122,226)
Training	13,092				(13,092)
Contracted services	59,000				(59,000)
Purchase of nonbondable assets					
Uniform Fire Safety Act	39,831		41,003		1,172
Debt Service:					
Interest and other charges	67,672				(67,672)
Unallocated		404,661			(404,661)
Total governmental activities	2,236,225	404,661	41,003	376,057	(2,223,826)
Total primary government	$ 2,236,225	$ 404,661	$ 41,003	$ 376,057	$ (2,223,826)
General revenues:					
Taxes:					
District taxes, levied for general purposes, net					1,920,818
District taxes, levied for debt service, net					402,762
Federal and State aid not restricted					4,012
Investment earnings					60
EMS Revenue/NJ Turnpike Revenue					339,957
Municipal Aid					34,915
Miscellaneous income					7,152
Total general revenues, special items, extraordinary items and transfers					2,709,676
Change in Net Position					485,850
Net Position - January 1					(1,902,235)
Net Position -December 31					$ (1,416,385)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Balance Sheet
Governmental Funds
December 31, 2021

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 716,344	$ -	$ -	$ -	$ 716,344
Interfund receivable	64,500				64,500
Receivables, net	183,530	64,500			248,030
Total assets	$ 964,374	$ 64,500	$ -	$ -	$ 1,028,874
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	13,586				13,586
Interfund payable		64,500			64,500
Total liabilities	13,586	64,500			78,086
Fund Balances:	.				
Restriced Fund Balance:					
Reserved for future capital outlays	60,000				60,000
Assigned Fund Balance:					
Designated for subsequent year's expenditures	98,857				98,857
Unassigned Fund Balance	791,931				791,931
Total fund balances	950,788				950,788
Total liabilities and fund balances	$ 964,374	$ 64,500	$ -	$ -	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $6,572,800 and the accumulated depreciation is $4,974,192.		1,598,608
The difference between the reacquisition price and the net carrying value of old debt (bonds payable) are reported as a deferred outflow of resources.		66,968
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.		(28,612)
Accounts payable related to the April 1, 2022 required PERS and PFRS contribution that is not to be liquidated with current financial resources.		(151,896)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Deferred Outflows of resources from Pensions	658,621	
Net Pension Liability	(1,001,451)	
Deferred Inflows of resources from Pensions	(1,227,830)	(1,570,660)
The following long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
General Obligation Bonds	(1,985,000)	
Capital Leases Payable	(197,462)	
Compensated Absences Payable	(99,119)	(2,281,581)
Net Position of Governmental Activities		$ (1,416,385)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Year Ended December 31, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	$ 1,920,818	$ -	$ -	$ 402,762	$ 2,323,580
Uniform Fire Safety Act	41,003				41,003
Interest earned	60				60
EMS Revenue/NJ Turnpike Revenue	339,957				339,957
Municipal Aid	34,915				34,915
Miscellaneous	7,152				7,152
Total revenues-local sources	2,343,905			402,762	2,746,667
Federal sources		64,500			64,500
State sources	4,012				4,012
Total revenues	2,347,917	64,500		402,762	2,815,179
EXPENDITURES:					
Current expense:					
Administration:					
Salary and wages	13,125				13,125
Fringe benefits	1,004				1,004
Other expenses	21,639				21,639
Cost of Operations:					
Salary and wages	1,161,916	32,781			1,194,697
Fringe benefits	384,438	31,719			416,157
Other expenses:					
Supplies and materials	310,639				310,639
Insurance	122,226				122,226
Training	13,092				13,092
Contracted services	59,000				59,000
Uniform Fire Safety Act	39,831				39,831
Capital Improvements					
Debt Service:					
Principal				332,094	332,094
Interest and other charges				70,668	70,668
Total expenditures	2,126,910	64,500		402,762	2,594,172
Net change in fund balance	221,007				221,007
Fund balances, January 1	729,781				729,781
Fund balances, December 31	$ 950,788	$ -	$ -	$ -	$ 950,788

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
for the Year Ended December 31, 2021

Total net change in fund balances - governmental funds (from B-2)		$ 221,007
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation expense	$ (395,733)	
Capital outlay	29,914	(365,819)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		215,000
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		95,959
Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.		(8,928)
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		305,021
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		2,996
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		21,135
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconcilaition (-); when the paid amount exceeds the earned amount the difference ia an addition to the reconciliation (+).		(521)
Change in net position of governmental activities		$ 485,850

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - Florence Township Fire District No. 1 is located in Burlington County, New Jersey. It is a political subdivision of the Township of Florence and was formed through the adoption of a Township ordinance. As of the 2020 United States Census, the Township's population was 12,473. A Board of five commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire districts are governed by N.J.S.A. 40A:14-70 et al. and are organized as a taxing District charged with the responsibility of providing firefighting services to the residents within its territorial location. Florence Township Fire District No. 1 has one fire company within its jurisdiction.

Component Units - GASB Statement No. 14 and GASB No. 39, provide 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 meet the criteria established by GASB statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. As of December 31, 2021, it has been determined by the District that no component units exist.

Basis of Presentation -The financial statements of the Fire District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The district's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

> **Government-wide Statements** - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. Elimination's have been made to minimize the double counting of internal activities. The Statement of Net Position presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Indirect expenses are not allocated to programs. Program revenues include charges paid by the recipients of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.
>
> **Fund Financial Statements** - During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level reporting. The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

Governmental Fund - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Fire District's major governmental funds:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - The General Fund is the general operating fund of the Fire District and is used to account for all expendable financial resources except those required to be accounted for in another fund. 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.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities such as fire houses. The financial resources are derived from temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for resources that will be used to service principal and interest payments on general long-term liabilities.

Measurement Focus

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The fire commissioners must introduce and approve the annual budget not 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 Fire 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 Fire District budget in accordance with N.J.S.A. 40A:14-78.3. The budget may not be amended subsequent to its final adoption and approval, except for provisions allowed by N.J.S.A. 40A:14-78.3.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for the approval of the legal voters. If the voters reject the budget, the Township Council is required to review and determine the annual budget. Amounts reported under the final budget on Exhibits C-1 and G-3, include modifications to the adopted budget that were made during the year as approved by the Board of Commissioners.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Fire District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - New Jersey municipal units 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 and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Fire District requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Inventories and Prepaid Expenses - Inventories and prepaid expenses which benefit future periods, other than those recorded in the enterprise funds, are recorded as an expenditure during the year of purchase.

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Fire District and that are due within one year. These amounts are eliminated in the governmental column of the Statement of Net Position.

Capital Assets - These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value on the date received. The Fire District maintains a capitalization threshold of $5,000. The Fire District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not. All reported capital assets except land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities Estimated Lives
Buildings	30 years
Building Improvements	20 years
Machinery and Equipment	5-20 years
Vehicles	5-20 years

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts, and N.J.S.A. 40A:14-85 to 87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire districts may purchase firefighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mils 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 two percent (2%) of the assessed valuation of property, whichever is larger.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Fire District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Fire District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Fire District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the 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 Fire District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the Fire District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance – The Fire District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Fire District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Fire District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Fire District's highest level of decision-making authority, which for the Fire District is the Board of Fire Commissioners. Once committed, amounts cannot be used for any other purpose unless the Board of Fire Commissioners removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the Fire District's *intent* to be used for specific purposes but are neither restricted nor committed. The Board of Fire Commissioners has the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Fire District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Fire District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – In June 2017, the GASB issued Statement 87, *Leases.* This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The impact of the adoption of this Statement will have no effect on the District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the Fire District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Fire District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Fire District's amount on deposit of $758,515 as of December 31, 2021, $250,000 was insured under FDIC and the remaining balance of $508,515 was collateralized under GUDPA.

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2021, was as follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021
Governmental Activities:				
Land	$ 95,145	$ -	$ -	$ 95,145
Equipment in Progress	-			-
Total Capital Assets not being Depreciated	95,145	-	-	95,145
Building and Improvements	4,004,855			4,004,855
Equipment	2,488,481	29,914	45,595	2,472,800
Total Historical Cost	6,588,481	29,914	45,595	6,572,800
Less Accumulated Depreciation:				
Building and Improvements	(3,003,645)	(200,243)		(3,203,888)
Equipment	(1,620,409)	(195,490)	(45,595)	(1,770,304)
Total Accumulated Depreciation	(4,624,054)	(395,733)	(45,595)	(4,974,192)
Governmental Activities Capital Assets, Net	$ 1,964,427	$ (365,819)	$ -	$ 1,598,608

Depreciation expense in the amount of $395,733 was charged to governmental functions as follows:

Function	Amount
Unallocated	$ 395,733
Total	$ 395,733

4. RECEIVABLES

Receivables as of year-end for the Fire District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Total
Federal Aid Receivable	$	$ 64,500	$ 64,500
State Aid Receivable	4,012		4,012
Other Receivable	179,518		179,518
Total Accounts Receivable	$ 183,530	$ 64,500	$ 248,030

5. LONG-TERM OBLIGATIONS

During the fiscal year ended December 31, 2021, the following changes occurred in long-term obligations:

	Principal Outstanding 12/31/2020	Additions	Reductions	Principal Outstanding 12/31/2021	Due Within One Year
Governmental Activities:					
Capital Lease Payable	$ 293,421	$ -	$ 95,959	$ 197,462	$ 97,795
General Obligation Bonds	2,200,000	-	215,000	1,985,000	220,000
Loan Payable	21,135	-	21,135	-	-
Compensated Absences	98,598	521	-	99,119	-
Net Pension Liability	1,482,134	-	480,683	1,001,451	-
	$ 4,095,288	$ 521	$ 812,777	$ 3,283,032	$ 317,795

Bonds Payable – Bonds issued by the Fire District are as follows:

2015 Refunding Bonds dated July 15, 2015 in the amount of $1,985,000 due in annual installments through July 15, 2029, bearing interest rates of 2.75% to 3.25%.

Debt Service Requirements

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2022	$ 220,000	$ 60,031	$ 280,031
2023	225,000	53,981	278,981
2024	240,000	47,231	287,231
2025	245,000	40,032	285,032
2026	250,000	32,681	282,681
2027-2029	805,000	51,662	856,662
	$ 1,985,000	$ 285,618	$ 2,270,618

Capital Lease Payable – The Fire District obtained a capital lease to purchase a pumper fire truck. The lease totaled $609,913 at an interest rate of 1.911% and a term of seven years.

5. LONG-TERM OBLIGATIONS (CONTINUED)

The following is a schedule of the future minimum lease payments at December 31, 2021.

Debt Service Requirements

Principal and interest due on leases outstanding is as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2022	$ 97,795	$ 3,298	$ 101,093
2023	99,667	1,427	101,094
	$ 197,462	$ 4,725	$ 202,187

6. DEFERRED COMPENSATION SALARY PLAN

The Fire District offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and are not accessible by the Fire District or its creditors.

NOTE 7. PENSION PLANS

Substantially all of the Fire District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to or at the following website: the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295, https://www.state.nj.us/treasury/pensions/financial-reports.shtml

Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944. The PFRS provides retirement, death and disability, and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time firemen of the Fire District.

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

NOTE 7. PENSION PLANS (CONTINUED)

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

The following represents the membership tiers for PFRS:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - 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 or deferred outflows or inflows to record in the government-wide financial statements or to disclose in the notes to the financial statements of the local participating employer related to this legislation.

The Fire District's contractually required contribution rate for the year ended December 31, 2021 was 27.24% of the Fire District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2021 is $139,190 and is payable by April 1, 2022. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Fire District, for the year ended December 31, 2021 was 4.17% of the Fire District's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2021 is $21,327 and is payable by April 1, 2022. Based on the PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Fire District, to the pension plan for the year ended December 31, 2020, was $15,560, which was paid on April 1, 2021.

NOTE 7. PENSION PLANS (CONTINUED)

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

The Fire District is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Employer Retro	Total Liability Paid by District
2021	$ 35,388	$ 73,539	$ 3,727	$ -	$ 112,654
2020	44,253	86,857	6,333	-	137,443
2019	26,908	56,015	3,492	-	86,415

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

For the year ended December 31, 2021, the Fire District's proportionate share of pension expense is ($16,834).

At December 31, 2021, the Fire District proportionate share of the net pension liability is $872,923 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,959	$ 104,567
Changes of assumptions	4,645	261,611
Net Difference between projected and actual earnings on pension plan investments		371,981
Changes in proportion	487,628	370,576
District contributions subsequent to the measurement date	139,190	
Total	$ 641,422	$ 1,108,735

$139,190 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2022.

NOTE 7. PENSION PLANS (CONTINUED)

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

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

For the year ended:		Net Deferred Outflows (Inflows) of Resources
2022		$ (184,408)
2023		(141,420)
2024		(181,571)
2025		(148,275)
2026		49,171
Total		$ (606,503)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2016	-	5.58
June 30, 2017	5.59	
June 30, 2018	5.73	
June 30, 2019	-	5.92
June 30, 2020	5.90	
June 30, 2021		6.17
Changes of assumptions		
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2017	-	5.00
June 30, 2015	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00

NOTE 7. PENSION PLANS (CONTINUED)

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

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	6/30/2021	6/30/2020
Collective deferred outflows of resources	$ 817,271,932	$ 1,601,195,880
Collective deferred inflows of resources	$ 6,875,738,520	$ 4,191,274,402
Collective net pension liability	$ 9,364,849,587	$ 14,926,648,722
District's Proportion	.0119428796%	.0100838649%

Actuarial assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.75%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return:	7.00%

Additional Information

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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.

NOTE 7. PENSION PLANS (CONTINUED)

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

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	1.68%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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 Fire District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Fire District's and State's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the Fire 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 1,325,506	$ 872,923	$ 496,196

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Fire District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. 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.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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 their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2021. Employers' contribution amounts are based on an actuarially determined rate. The Authority's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Fire District's contractually required contribution rate for the year ended December 31, 2021 was 14.63% of the Fire District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Fire District's contractually required contribution to the pension plan for the fiscal year ended December 31, 2021 was $12,706 and is payable by April 1, 2022. Based on the PERS measurement date of June 30, 2019, the Fire District's contractually required contribution to the pension plan for the year ended December 31, 2020 was $12,019, which was paid by April 1, 2021. Employee contributions to the pension plan during the year ended December 31, 2021 were $6,515.

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The Fire District is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Total Liability Paid by District
2021	$ 1,372	$ 10,066	$ 581	$ 12,019
2020	1,007	9,320	556	10,883
2019	2,697	16,792	999	20,488

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

At December 31, 2021, the Fire District's proportionate share of the PERS net pension liability was $128,528. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Fire District's proportion of the of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2021, the Fire District's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2020 measurement date is ($20,807).

At December 31, 2021, the Fire District proportionate share of the PERS net pension liability was $128,528 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,027	$ 608
Changes of assumptions	669	30,214
Net Difference between projected and actual earnings on pension plan investments		22,357
Changes in proportion	1,797	65,916
District contributions subsequent to the measurement date	12,706	
Total	$ 17,199	$ 119,095

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

$12,706 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:		Net Deferred Outflows (Inflows) of Resources
2022		$ (54,507)
2023		(63,735)
2024		(1,444)
2025		5,149
2026		(65)
Total		$ (114,602)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
June 30, 2020	5.16	-
June 30, 2021	5.13	5.13
Changes of assumptions		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	-	5.00
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	6/30/2021	6/30/2020
Collective deferred outflows of resources	$ 1,164,738,169	$ 2,347,583,337
Collective deferred inflows of resources	$ 8,339,123,762	$ 7,849,949,467
Collective net pension liability	$ 11,846,499,172	$ 16,435,616,426
Fire District's Proportion	.0010849478%	.0010986795%

Actuarial assumptions – The total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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

Inflation rate:
- Price 2.75%
- Wage 3.25%

Salary Increases:
- Through 2026: 2.00 – 6.00% based on years of service
- Thereafter: 3.00 – 7.00% based on years of service

Investment Rate of Return: 7.00%

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2021) 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.

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	.96%
Risk Mitigation Strategies	3.00%	3.35%

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity will be made based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to determining the total pension liability.

Sensitivity of the Fire District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Fire District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the Fire 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 175,029	$ 128,528	$ 89,065

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

NOTE 7. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Fire District employees enrolled in the DCRP for the years ended December 31, 2021, 2020, and 2019.

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

As of December 31, 2021, the District had no postemployment benefits other than pensions liability.

9. RISK MANAGEMENT

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

Joint Insurance Fund - The Fire District is a member of the First Responder Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund (MEL). These Funds provide the Fire District with coverage for property and contents, auto and general liability, employee dishonesty, workers compensation and employers' liability.

New Jersey Unemployment Compensation Insurance – The Fire District has elected the "Contributory Method" to fund its New Jersey Unemployment Compensation Insurance, which requires the Fire District to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor.

10. PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	2021	2020	2019	2018	2017
Tax Rate	$ 0.183	$ 0.182	$ 0.165	$ 0.163	$ 0.146

Assessed Valuation

2021	$ 1,274,255,100
2020	$ 1,263,876,100
2019	$ 1,251,653,200
2018	$ 1,250,717,600
2017	$ 1,249,273,400

11. DEFICIT UNRESTRICTED NET POSITION

As of December 31, 2021, a deficit of $991,388 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances December 31, 2021		
Fund Balance (Deficit)		
(Exclusive of Capital Projects and Debt Service Funds):		
Fund Balance – Unassigned	$	791,931
Add – Deferred Outflow of Resources – Defeasance		66,968
Liabilities:		
Accrued Interest Payable		(28,612)
Net Pension Difference		(1,722,556)
Compensated Absences		(99,119)
Unrestricted Net Position (Deficit)	$	(991,388)

12. FUND BALANCES

The Fire District has classified its fund balances with the following hierarchy:

Nonspendable – The Fire District does not have any nonspendable funds.

Spendable – The Fire District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The Fire District currently has no funds classified as *Committed*.

Restricted Items:

Reserve for Future Capital Outlays – As of December 31, 2021, the balance in the Reserve for Future Capital Outlays is $60,000.

Assigned:

Designated for Subsequent Year's Expenditures – The Fire District has assigned a total of $98,857 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2022 budget.

Unassigned items - Represents the remainder of the Fire District's equity in governmental fund type balances. The balance at December 31, 2021 is $791,931.

The following presents the assigned and unassigned fund balance as of the last five years and the amount utilized in the subsequent year's budget:

Year		Balance Dec. 31,		Utilized In Budget Of Succeeding Year	Percentage Budget of Succeeding Year
2021	$	890,788	$	98,857	11.10%
2020		669,781		180,000	26.87%
2019		412,368		69,000	16.73%
2018		412,099		148,412	36.01%
2017		389,757		152,263	39.07%

Required Supplementary Information - Part II

Budgetary Comparison Schedules

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 1,920,818	$ -	$ 1,920,818	$ 1,920,818	$ -
Interest on investments	500		500	60	(440)
Uniform Fire Safety Act	40,000		40,000	41,003	1,003
EMS/ NJ Turnpike Revenue	320,000		320,000	339,957	19,957
Municipal Aid	35,000		35,000	34,915	(85)
Miscellaneous				7,152	7,152
Total local sources	2,316,318		2,316,318	2,343,905	27,587
Federal and State sources:					
Supplemental Fire Services Grant	4,012		4,012	4,012	
Total federal and state sources	4,012		4,012	4,012	
TOTAL REVENUES	2,320,330		2,320,330	2,347,917	27,587
EXPENDITURES:					
GENERAL EXPENSE:					
Administration:					
Salaries and wages	29,000		29,000	13,125	15,875
Fringe benefits	18,450		18,450	1,004	17,446
Other Expenses:					
Elections	2,000		2,000	1,767	233
Office expense	12,000		12,000	1,899	10,101
Professional services	40,000		40,000	17,973	22,027
Purchase of Non-bondable assets	9,000		9,000		9,000
Total Administration	110,450		110,450	35,768	74,682

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Cost of Operations:					
Salaries and wages	$ 1,384,007	$ -	$ 1,384,007	$ 1,161,916	$ 222,091
Fringe benefits	442,873		442,873	384,438	58,435
Other Expenses:					
Supplies and materials	316,000		316,000	310,639	5,361
Insurance	130,000		130,000	122,226	7,774
Training	15,000		15,000	13,092	1,908
Contracted services	59,000		59,000	59,000	
Total Other Expense	2,346,880		2,346,880	2,051,311	295,569
Total Cost of Operations	2,346,880		2,346,880	2,051,311	295,569
Appropriations Off-Set with Revenues:					
Salaries and wages	37,000		37,000	37,000	
Fringe benefits	3,000		3,000	2,831	169
Total Appropriations Off-Set with Revenues	40,000		40,000	39,831	169
Capital Improvements:					
Purchase of an Ambulance					
Total Appropriations Off-Set with Revenues					
Total Expenditures	2,497,330		2,497,330	2,126,910	370,420
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(177,000)		(177,000)	221,007	398,007
Other financing sources (uses):					
Total other financing sources (uses)					
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(177,000)		(177,000)	221,007	398,007
Fund Balance, January 1	729,781		729,781	729,781	
Fund Balance, December 31	$ 552,781	$ -	$ 552,781	$ 950,788	$ 398,007

Recapitulation of Fund Balance:	
Restriced Fund Balance:	
Reserve for Future Capital Outlays	$ 60,000
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	98,857
Unassigned Fund Balance	791,931
Fund Balance per Governmental Funds (GAAP)	$ 950,788

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Required Supplementary Information - Part II
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended December 31, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources:					
Safer Grant	$ 39,175	$ 25,325	$ 64,500	$ 64,500	$ -
Total federal sources	39,175	25,325	64,500	64,500	
TOTAL REVENUES	39,175	25,325	64,500	64,500	
EXPENDITURES:					
Salaries and wages	36,391	(3,610)	32,781	32,781	
Fringe benefits	2,784	28,935	31,719	31,719	
Total Expenditures	39,175	25,325	64,500	64,500	

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Notes to Required Supplementary Information
Budgetary Comparison
For the Year Ended December 31, 2021

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	$ 2,347,917	$ 64,500
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 2,347,917	$ 64,500
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 2,126,910	$ 64,500
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 2,126,910	$ 64,500

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

For Pensions (GASB 68)

FLORENCE TOWNSHIP FIRE DISTRICT NO. 1
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Nine Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0010849478%	0.0010986795%	0.0011188382%	0.0022199168%	0.0022115879%	0.0021460273%	0.0021402023%	0.0032972435%	0.0032444144%
District's proportionate share of the net pension liability (asset)	$ 128,528	$ 179,166	$ 201,598	$ 437,091	$ 514,822	$ 635,592	$ 480,433	$ 617,334	$ 620,072
District's covered-employee payroll	86,872	80,827	86,134	131,410	155,896	153,216	148,368	147,632	144,697
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	147.95%	221.67%	234.05%	332.62%	330.23%	414.83%	323.81%	418.16%	428.53%
Plan fiduciary net position as a percentage of the total pension liability	51.52%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended December 31, 2015.

FLORENCE TOWNSHIP FIRE DISTRICT NO. 1
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Nine Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 12,706	$ 12,019	$ 10,883	$ 22,081	$ 20,488	$ 19,065	$ 18,400	$ 27,182	$ 24,446
Contributions in relation to the contractually required contributions	(12,706)	(12,019)	(10,883)	(22,081)	(20,488)	(19,065)	(18,400)	(27,182)	(24,446)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 86,872	$ 80,827	$ 86,134	$ 131,410	$ 155,896	$ 153,216	$ 148,368	$ 147,632	$ 144,697
Contributions as a percentage of covered-employee payroll	14.63%	14.87%	12.63%	16.80%	13.14%	12.44%	12.40%	18.41%	16.89%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended December 31, 2015.

FLORENCE TOWNSHIP FIRE DISTRICT NO. 1
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Police & Firemen's Retirement System
Last Nine Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2015
District's proportion of the net pension liability (asset)	0.0119428796%	0.0100838649%	0.0136067279%	0.0123453515%	0.0097642031%	0.0082285858%	0.0081144038%	0.0081144038%	0.0081144038%
District's proportionate share of the net pension liability (asset)	$ 872,923	$ 1,302,968	$ 1,665,167	$ 1,670,530	$ 1,507,404	$ 1,571,870	$ 1,351,577	$ 646,323	$ 671,522
State's proportionate share of the net pension liability (asset) associated with the District	$ 245,509	$ 202,215	$ 262,933	$ 226,914	$ 168,842	$ 131,998	$ 118,529	$ 69,598	$ 62,594
Total	$ 1,118,432	$ 1,505,183	$ 1,928,100	$ 1,897,444	$ 1,676,246	$ 1,703,868	$ 1,470,106	$ 715,921	$ 734,116
District's covered-employee payroll	$ 510,900	$ 434,385	$ 390,964	$ 451,638	$ 414,444	$ 335,212	$ 283,729	$ 245,324	$ 215,798
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	170.86%	299.96%	425.91%	369.88%	363.72%	468.92%	476.36%	263.46%	311.18%
Plan fiduciary net position as a percentage of the total pension liability	71.41%	58.78%	60.20%	57.91%	54.52%	48.55%	52.84%	58.86%	55.65%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended December 31, 2015.

FLORENCE TOWNSHIP FIRE DISTRICT NO. 1
Required Supplementary Information
Schedule of the District's Contributions
Police & Firemen's Retirement System
Last Nine Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 139,190	$ 112,654	$ 137,443	$ 120,694	$ 86,415	$ 67,091	$ 65,958	$ 39,464	$ 36,853
Contributions in relation to the contractually required contributions	(139,190)	(112,654)	(137,443)	(120,694)	(86,415)	(67,091)	(65,958)	(39,464)	(36,853)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 510,900	$ 434,385	$ 390,964	$ 451,638	$ 414,444	$ 335,212	$ 283,729	$ 245,324	$ 215,798
Contributions as a percentage of covered-employee payroll	27.24%	25.93%	35.15%	26.72%	20.85%	20.01%	23.25%	16.09%	17.08%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended December 31, 2015.

Florence Township Fire District No. 1
Notes to Required Supplementary Information
For the Fiscal Year Ended December 30, 2021

Public Employees' Retirement System (PERS)

Note 1. Changes in benefit term assumptions

There were no changes in benefit terms.

Note 2. Changes in assumptions

The Discount Rate changed at June 30th over the following five years: 5.00% - 2017, 5.66% - 2018, 6.28% - 2019, 7.00% - 2020, and 7.00% - 2021.

The Long-term Expected Rate of return changed at June 30th over the following five years: 7.00% in 2017, 2018, 2019, 2020, and 2021.

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 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Police and Firemen's Retirement System (PFRS)

Note 3. Changes in benefit term assumptions

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation

Note 4. Changes in assumptions

The discount rate changed at June 30th over the following five years: 6.14% - 2017, 6.51% - 2018, 6.85% - 2019, 7.00% - 2020 and 7.00% - 2021.

The Long-term Expected Rate of return changed at June 30th over the following five years: 7.00% in 2017, 2018, 2019, 2020 and 2021.

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Other Supplementary Information

Special Revenue Fund
Detail Statements

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended December 31, 2021

	Safer Grant
REVENUES:	
Federal sources	$ 64,500
Total revenues	$ 64,500
EXPENDITURES:	
Cost of Operations:	
Salaries	$ 32,781
Fringe Benefits	31,719
Total expenditures	$ 64,500

Long-Term Debt Schedules

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
General Long-Term Debt Account Group
Schedule of Serial Bonds
For the Year Ended December 31, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Rate of Interest	Balance January 1, 2021	Issued	Retired	Balance December 31, 2021
Refunding Bonds	07/15/2015	$ 3,225,000	07/15/22	$ 220,000	2.750%	$ 2,200,000	$ -	$ 215,000	$ 1,985,000
			07/15/23	225,000	3.000%				
			07/15/24	240,000	3.000%				
			07/15/25	245,000	3.000%				
			07/15/26	250,000	3.000%				
			07/15/27	260,000	3.000%				
			07/15/28	265,000	3.130%				
			07/15/29	280,000	3.250%				
Total						$ 2,200,000	$ -	$ 215,000	$ 1,985,000

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
For the Year Ended December 31, 2021

	Interest Rate	Term	Amount of Original Issue	Balance January 1, 2021	Issued	Retired	Balance December 31, 2021
Pumper Fire Truck	1.91%	7 Years	$ 609,913	$ 293,421	$ -	$ 95,959	$ 197,462
Total				$ 293,421	$ -	$ 95,959	$ 197,462

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended December 31, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 402,762	$ -	$ 402,762	$ 402,762	$ -
Total revenues - local sources	402,762		402,762	402,762	-
Total Revenues	402,762		402,762	402,762	-
EXPENDITURES:					
Regular debt service:					
Redemption of principal	332,094		332,094	332,094	-
Interest	70,668		70,668	70,668	-
Total Expenditures	402,762		402,762	402,762	-
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other financing sources:					
Proceeds of refunding bonds					-
Deposit in to escrow fund					-
Total Other Financing Sources	-		-	-	-
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances, January 1					
Fund Balances, December 31	$ -	$ -	$ -	$ -	$ -

FLORENCE TOWNSHIP FIRE DISTRICT NO.1
General Long-Term Debt Account Group
Schedule of Loan Payable
For the Year Ended December 31, 2021

Purpose	Interest Rate	Term	Amount of Original Issue	Balance January 1, 2021	Issued	Retired	Balance December 31, 2021
SCBA	2.40%	5 Years	$ 211,350	$ 21,135	$ -	$ 21,135	$ -
Total				$ 21,135	$ -	$ 21,135	$ -

General Comments and Recommendations

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with the requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2021-1:

The District did not properly maintain the financial records during the year. The General Ledger and the Appropriation Ledger were not posted properly during the year.

Recommendation:

That the General Ledger and Appropriation Ledger be properly maintained.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AS PREPARED BY MANAGEMENT

This section identifies the status of prior-year findings related to the general-purpose financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2020-1:

The District did not properly maintain the financial records during the year. The General Ledger and the Appropriation Ledger were not posted properly during the year.

Status

This condition has not been corrected.

APPRECIATION

We express our appreciation for the assistance and courtesies extended to us by the Fire District Commissioners during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

July 29, 2022