

Report of Audit

on the

Financial Statements

of the

Toms River
Fire Commissioners
District #2

in the

County of Ocean
New Jersey

for the

Year Ended
December 31, 2022

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

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TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Toms River Fire Commissioners District No. 2
257 Warner Street
Toms River, New Jersey 08755

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Toms River Fire Commissioners District No. 2, (the "District"), in the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2022 and the respective changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Toms River Fire Commissioners District No. 2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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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 Toms River Fire Commissioners District No. 2's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Toms River Fire Commissioners District No. 2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Toms River Fire Commissioners District No. 2's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion analysis and the schedules related to accounting and reporting for pensions and other post-employment benefits in Schedules D-1 through D-6 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Districts' financial statements. The Schedule of Improvement Authorizations – Capital Fund and Schedule of Fund Balance – Capital Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Improvement Authorizations - Capital Fund and Schedule of Fund Balance - Capital Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the Toms River Fire Commissioners District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Toms River Fire Commissioners District No. 2's internal control over financial reporting and compliance.

December 8, 2023





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

Board of Fire Commissioners
Toms River Fire Commissioners District No. 2
257 Warner Street
Toms River, New Jersey 08755

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Toms River Fire Commissioners District No. 2 as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Toms River Fire Commissioners District No. 2's financial statements, and have issued our report thereon dated December 8, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Toms River Fire Commissioners District No. 2's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Toms River Fire Commissioners District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of the Toms River Fire Commissioners District No. 2's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Toms River Fire Commissioners District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 8, 2023



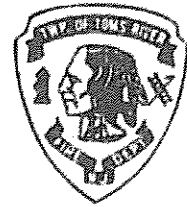
REQUIRED SUPPLEMENTARY INFORMATION - PART I



TOMS RIVER FIRE COMMISSIONERS, DISTRICT NO. 2

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Pleasant Plains Fire Dept.
Clayton Avenue, Toms River, NJ

Silverton Fire Company
Kettle Creek Road, Toms River, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Toms River Fire Commissioners District No. 2's financial performance provides an overview of the District's financial activities for the year ended December 31, 2022.

Management's Discussion and Analysis should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following parts: Management's Discussion and Analysis; the Basic Financial Statements consisting of government-wide financial statements and fund financial statements; Notes to the Financial Statements; and Required Supplementary Information.

The basic district-wide and fund financial statements present the financial results in different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

District-wide financial statements are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position (Exhibit A-1) and Statement of Activities (Exhibit A-2). The Statement of Net Position reports all assets, deferred outflows, liabilities, and deferred inflows, and the difference between them (net position, equity and fund balance) of the District. The Statement of Activities reports all revenue and expenses during the year, regardless of when cash is received or paid.

Governmental funds financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. This is the traditional form for our financial statements. The required financial statements are the Balance Sheet (Exhibit B-1) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2). The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during or soon after the end of the year.

Exhibit B-1 reconciles the Governmental Funds Balance Sheet to the District-wide Statement of Net Position, explaining the differences between the two statements. Exhibit B-3 reconciles the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities, tracing the change in fund balances to the change in net position reported in Exhibit A-2.

**TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Overview of the Financial Statements (Continued)

The government-wide and governmental funds financial statements show the results of the following funds:

General Fund - This Fund is used to finance the operations of the District. Property Tax Levies finance most of these activities. All tax revenues are placed in the General Fund and regular operating expenses are charged here. Funds to be used for capital equipment and projects are transferred from the General Fund to the Capital Fund.

Capital Fund - This Fund is used to separate funds for capital equipment and projects. All capital expenditures are taken from this Fund. Funds in this account come from revenue transferred from the General Fund to be used for capital improvements. The District's equipment acquisitions are financed by prior levies and approved by the taxpayers. The District's acquisitions are reported here.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the governmental funds financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

Financial Analysis of the District

The Statement of Net Position and the Statement of Activities report information about the District's activities in a way that will help answer the question as to whether the District, as a whole, is better able to fulfill its mission as a result of this year's activities. These two statements report the net position of the District and the changes in net position. The Districts' net position - the difference between assets, deferred outflows, liabilities, and deferred inflows - is one way to measure financial health or financial position. Over time, increases or decreases in the Districts' net position are an indicator of whether its financial health is improving or deteriorating. In addition, other non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation will also have to be considered.

**TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Net Position

Changes in net position may be observed and used to discuss the changing financial position of the District as a whole on a year-to-year basis. A summary of the District's statement of net position is presented in the following table:

Condensed Statement of Net Position

	2022	2021	Dollar Change	Percent Change
Current Assets	\$ 4,431,766.11	\$ 3,597,195.29	\$ 834,570.82	23.20%
Capital Assets, Net of				
Accumulated Depreciation	3,908,779.13	4,197,871.57	(289,092.44)	-6.89%
Total Assets	<u>8,340,545.24</u>	<u>7,795,066.86</u>	<u>545,478.38</u>	7.00%
Deferred Outflows of Resources	<u>864,811.00</u>	<u>51,245.00</u>	<u>813,566.00</u>	1587.60%
Total Assets and Deferred Outflows of Resources	<u>\$ 9,205,356.24</u>	<u>\$ 7,846,311.86</u>	<u>\$ 1,359,044.38</u>	17.32%
Current and Other Liabilities	\$ 1,220,298.05	\$ 802,455.82	\$ 417,842.23	52.07%
Deferred Inflows of Resources	<u>650,433.00</u>	<u>700,228.00</u>	<u>(49,795.00)</u>	-7.11%
Total Liabilities and Deferred Inflows of Resources	<u>1,870,731.05</u>	<u>1,502,683.82</u>	<u>368,047.23</u>	24.49%
Net Investment in Capital Assets	3,908,779.13	4,197,871.57	(289,092.44)	-6.89%
Restricted for Capital Acquisitions	1,039,980.91	828,889.77	211,091.14	25.47%
Unrestricted	<u>2,385,865.15</u>	<u>1,316,866.70</u>	<u>1,068,998.45</u>	81.18%
Total Net Position	<u>7,334,625.19</u>	<u>6,343,628.04</u>	<u>990,997.15</u>	15.62%
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,205,356.24</u>	<u>\$ 7,846,311.86</u>	<u>\$ 1,359,044.38</u>	17.32%

The Net Position of the District increased by \$990,997 during 2022, largely due to Changes in Pension and OPEB Liabilities and Deferred Outflows/Inflows of Resources offset by Net Position Utilized to Fund Budget Operations. In addition, revenues grew at a faster pace than did the expenditures. Interest on Investments and Deposits grew significantly as there was an increased amount of cash available for investment.

Governmental Activities

The Statement of Activities gives insight into the nature and source of changes in net position. The statement shows the cost of the governmental activities program services and the charges for the services and grants offsetting those services. A summary of the District's governmental activities is reflected below.

**TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

<u>Revenues</u>	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Amount to be Raised by Taxation	\$ 3,308,221.77	\$ 2,881,217.58	\$ 427,004.19
Interest Income	32,386.28	9,933.45	22,452.83
Supplemental Fire Services Grant	9,898.35	9,898.35	-
Miscellaneous Income	38,854.24	76,682.97	(37,828.73)
Pension Benefit/(Expense), Net (GASB 68)	96,004.00	113,882.00	(17,878.00)
OPEB Benefit/(Expense), Net (GASB 75)	825,970.00	45,667.00	780,303.00
Gain on Disposition of Capital Assets	-	30,446.39	(30,446.39)
Total General Revenues	\$ 4,311,334.64	\$ 3,167,727.74	\$ 1,143,606.90
<u>Expenditures</u>			
Professional Services	\$ 2,696.00	\$ 45,984.00	\$ (43,288.00)
Elections	15,339.84	14,282.66	1,057.18
Conferences and Travel Expenses	1,542.85	-	1,542.85
Dues	1,853.87	819.00	1,034.87
Salaries and Wages	277,040.47	270,282.61	6,757.86
LOSAP	297,000.00	259,500.00	37,500.00
Advertising	2,471.59	2,932.25	(460.66)
Telephone and Opticom	8,203.44	12,575.61	(4,372.17)
Insurance and Health Protection	184,578.92	213,089.48	(28,510.56)
Supplies	193,702.49	270,885.30	(77,182.81)
Registrations, Licenses, and Fees	3,589.33	1,608.16	1,981.17
Utilities and Building Maintenance	9,109.67	8,334.19	775.48
Physicals and Fitness	6,955.00	8,869.00	(1,914.00)
Fire Hydrant Service on Rentals	228,263.20	237,974.40	(9,711.20)
Contracted Services Provided by Volunteer Fire Companies	60,230.00	60,230.00	-
Training	1,612.47	600.00	1,012.47
Gas and Oil	35,534.43	22,396.00	13,138.43
Equipment Repairs	155,841.13	128,563.10	27,278.03
Office Equipment Maintenance	5,689.09	9,157.00	(3,467.91)
Communications	274,064.09	40,338.00	233,726.09
Other Rental Charges	172,224.00	172,224.00	-
Stand-by-Crew	74,025.00	66,680.00	7,345.00
First Aid	9,979.78	5,552.00	4,427.78
Joint Board Expenses	793,637.00	849,579.69	(55,942.69)
Loss on Disposal of Capital Assets	2,335.35	-	2,335.35
Capital Outlay	122,625.86	407,202.18	(284,576.32)
Depreciation Expense	380,192.62	359,937.34	20,255.28
Total Expenditures	\$ 3,320,337.49	\$ 3,047,772.55	\$ 272,564.94

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Activities (Continued)

For the year ended December 31, 2022 the District experienced an increase in the district taxes of approximately \$427,004. The district property tax rate decreased from 0.062 per \$100 of assessed valuation to 0.046 per \$100 of assessed valuation; valuations changed significantly due to a revaluation which accounts for a large portion of the increase in revenues from 2021 to 2022. The other major contributing factors to the increase in the revenues were increased interest on investments and deposits, (a significantly higher amount cash was available for investment) and increased/decreased GASB's 68 & 75 Pension and OPEB Benefit Adjustments.

Most expenditures are contractual in nature and because of market fluctuations, they can vary from year to year depending on the circumstances.

In 2022, the District's overall expenditures increased \$272,565 with depreciation expense accounting for \$20,255 of that increase, LOSAP funding also increased by \$37,500. The primary driver for the increased expenditures was communications expenditures for radios, however this was offset by decreased capital outlays. Other items increased and were offset by decreases elsewhere in the budget.

Budgetary Highlights

The State of New Jersey requires local fire districts to prepare and adopt annual budgets in accordance with the N.J.S.A. 40A:14-78.1. The statutory budget was designed to demonstrate to the Division of Local Government Services that the cash flows of the District for the coming year will be sufficient to cover operating expenses.

The following table provides a 2022 budget comparison:

**TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Budgetary Highlights (Continued)

	<u>Budget as Modified</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
Revenues:			
Fund Balances Utilized:			
Unrestricted	\$ 540,493.00	\$ 540,493.00	\$ -
Restricted			-
Interest on Investments and Deposits	10,000.00	32,386.28	22,386.28
Supplemental Fire Services Program	<u>9,899.00</u>	<u>9,898.35</u>	<u>(0.65)</u>
Total Revenues and Fund Balance Utilized	<u>560,392.00</u>	<u>582,777.63</u>	<u>22,385.63</u>
Amount to be Raised by Taxation	<u>3,308,221.77</u>	<u>3,308,221.77</u>	<u>-</u>
Miscellaneous	<u>-</u>	<u>38,854.24</u>	<u>38,854.24</u>
Total Revenues	<u>3,868,613.77</u>	<u>3,929,853.64</u>	<u>61,239.87</u>
Expenses:			
Administration	422,900.00	341,138.05	81,761.95
Cost of Operations and Maintenance	2,710,189.77	2,260,501.36	449,688.41
Appropriated for First Aid/Rescue Squad	10,000.00	9,979.78	20.22
Length of Service Award Program	297,000.00	297,000.00	-
Capital Appropriations	<u>428,524.00</u>	<u>428,524.00</u>	<u>-</u>
Total Appropriation	<u>3,868,613.77</u>	<u>3,337,143.19</u>	<u>531,470.58</u>
Capital Outlay	<u>-</u>	<u>122,625.86</u>	<u>(122,625.86)</u>
Excess Revenues and Fund Balances Utilized Over Appropriations	<u>\$ -</u>	<u>\$ 470,084.59</u>	<u>\$ 470,084.59</u>

**TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Budgetary Highlights (Continued)

The budget relied on the expectation of an increase in the total tax levy. For 2022, the district tax rate decreased from \$.062 to \$.046. However a town-wide revaluation of all properties took effect during the period under audit which produced an increase in tax revenue of approximately \$427,004.

Capital Assets and Debt Administration

Capital Assets

A summary of the District's capital assets is presented in the following table:

	2022	2021
Land	\$ 21,400.00	\$ 21,400.00
Buildings and Improvements	1,119,467.22	1,119,467.22
Machinery and Equipment	1,342,389.06	1,261,691.99
Fire Apparatus	5,414,945.47	5,414,945.47
Construction in Progress	-	-
	7,898,201.75	7,817,504.68
Less: Accumulated Depreciation	3,989,422.62	3,619,633.11
Capital Assets, Net	\$ 3,908,779.13	\$ 4,197,871.57

Debt Administration

The District had no outstanding bonds or capital leases as of December 31, 2022.

Economic Factors, Future Years' Budgets and Rates

The Commissioners and management of the District consider many factors when preparing each year's budget and annual charges. Two of the main factors are growth in the District's ratable base and new regulations issued by the State and Federal governments.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the Toms River Fire Commissioners District No. 2, 257 Warner Street, Toms River, New Jersey 08755.

BASIC FINANCIAL STATEMENTS

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

DISTRICT-WIDE STATEMENT OF NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>TOTAL</u>
<u>Assets and Deferred Outflows of Resources</u>		
Current Assets:		
Cash and Cash Equivalents:		
Cash	\$ 4,431,766.11	\$ 4,431,766.11
Total Current Assets	<u>4,431,766.11</u>	<u>4,431,766.11</u>
Capital Assets (Net):		
Land	21,400.00	21,400.00
Buildings	1,119,467.22	1,119,467.22
Machinery and Equipment	1,342,389.06	1,342,389.06
Fire Apparatus	<u>5,414,945.47</u>	<u>5,414,945.47</u>
	7,898,201.75	7,898,201.75
Less: Accumulated Depreciation	<u>3,989,422.62</u>	<u>3,989,422.62</u>
Total Capital Assets (Net)	<u>3,908,779.13</u>	<u>3,908,779.13</u>
Total Assets	<u>8,340,545.24</u>	<u>8,340,545.24</u>
Deferred Outflows of Resources:		
Deferred Pension Outflows	227,721.00	227,721.00
Deferred OPEB Outflows	<u>637,090.00</u>	<u>637,090.00</u>
Total Deferred Outflows of Resources	<u>864,811.00</u>	<u>864,811.00</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,205,356.24</u>	<u>\$ 9,205,356.24</u>

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

DISTRICT-WIDE STATEMENT OF NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>TOTAL</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>		
Current Liabilities:		
PERS Payable	\$ 18,337.00	\$ 18,337.00
Reserve for LOSAP Trust	58,649.90	58,649.90
Accounts Payable	449,985.55	449,985.55
Compensated Absences	26,522.60	26,522.60
Total Current Liabilities	<u>553,495.05</u>	<u>553,495.05</u>
Other Liabilities:		
Net Pension Liability	210,900.00	210,900.00
Net OPEB Liability	455,903.00	455,903.00
Total Other Liabilities	<u>666,803.00</u>	<u>666,803.00</u>
Total Liabilities	<u>1,220,298.05</u>	<u>1,220,298.05</u>
Deferred Inflows of Resources:		
Deferred Pension Inflows	410,337.00	410,337.00
Deferred OPEB Inflows	240,096.00	240,096.00
Total Deferred Inflows of Resources	<u>650,433.00</u>	<u>650,433.00</u>
Net Position:		
Net Investment in Capital Assets	3,908,779.13	3,908,779.13
Restricted for:		
Capital Acquisitions	1,039,980.91	1,039,980.91
Unrestricted (Deficit)	2,385,865.15	2,385,865.15
Total Net Position	<u>7,334,625.19</u>	<u>7,334,625.19</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,205,356.24</u>	<u>\$ 9,205,356.24</u>

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2DISTRICT-WIDE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>TOTAL</u>
Expenditures:		
Operating Appropriations	\$ 2,815,183.66	\$ 2,815,183.66
Depreciation	380,192.62	380,192.62
Capital Outlay	122,625.86	122,625.86
Loss on Disposal of Capital Assets	<u>2,335.35</u>	<u>2,335.35</u>
Total Expenditures	<u>3,320,337.49</u>	<u>3,320,337.49</u>
Revenues and Other Financing Sources:		
General Revenues:		
Miscellaneous Revenue	38,854.24	38,854.24
Amount to be Raised by Taxation	3,308,221.77	3,308,221.77
Supplemental Fire Services Program	9,898.35	9,898.35
Interest on Investments and Deposits	32,386.28	32,386.28
GASB 68 Pension Adjustment	96,004.00	96,004.00
GASB 75 OPEB Adjustment	<u>825,970.00</u>	<u>825,970.00</u>
	<u>4,311,334.64</u>	<u>4,311,334.64</u>
Changes in Net Position	990,997.15	990,997.15
Net Position Beginning of Year	<u>6,343,628.04</u>	<u>6,343,628.04</u>
Net Position End of Year	<u>\$ 7,334,625.19</u>	<u>\$ 7,334,625.19</u>

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

GOVERNMENTAL FUNDS

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

BALANCE SHEET GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GENERAL FUND</u>	<u>CAPITAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets:			
Cash	\$ 4,431,766.11		\$ 4,431,766.11
Interfunds Receivable		<u>1,039,980.91</u>	<u>1,039,980.91</u>
Total Assets	<u>4,431,766.11</u>	<u>1,039,980.91</u>	<u>5,471,747.02</u>
Liabilities and Fund Balance:			
Reserve for LOSAP Trust	58,649.90		58,649.90
Accounts Payable	449,985.55		449,985.55
Compensated Absences	26,522.60		26,522.60
PERS Payable	18,337.00		18,337.00
Interfunds Payable	1,039,980.91		1,039,980.91
Improvement Authorizations		<u>198,978.11</u>	<u>198,978.11</u>
Total Liabilities	<u>1,593,475.96</u>	<u>198,978.11</u>	<u>1,792,454.07</u>
Fund Balances:			
Restricted for:			
Capital Improvements		790,924.80	790,924.80
Assigned to:			
Subsequent Year's Budget	486,493.00	50,078.00	536,571.00
Unassigned	<u>2,351,797.15</u>		<u>2,351,797.15</u>
Total Fund Balances	<u>2,838,290.15</u>	<u>841,002.80</u>	3,679,292.95
Total Liabilities and Fund Balance	<u>\$ 4,431,766.11</u>	<u>\$ 1,039,980.91</u>	\$ (Continued)

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 \$7,898,201.75 and the Accumulated Depreciation is \$3,989,422.62.	\$ 3,908,779.13
Improvement authorizations do not represent liabilities as defined by U.S. generally accepted accounting principles. Therefore, improvement authorizations in the amount of \$198,978.11 have been eliminated in arriving at the government-wide presentation.	198,978.11
Deferred outflows and deferred inflows of resources related to pensions are not reported in the fund financial statements.	(393,516.00)
Deferred outflows and deferred inflows of resources related to opeb are not reported in the fund financial statements.	<u>(58,909.00)</u>
Net Position of Governmental Activities	<u>\$ 7,334,625.19</u>

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDSFOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL FUND	CAPITAL FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:			
Interest on Investments and Deposits	\$ 32,386.28	\$	\$ 32,386.28
Supplemental Fire Services Program	9,898.35		9,898.35
Amount to be Raised by Taxation	<u>3,308,221.77</u>		<u>3,308,221.77</u>
Total Anticipated Revenues	3,350,506.40		3,350,506.40
Miscellaneous	<u>38,854.24</u>		<u>38,854.24</u>
Total Revenues	<u>3,389,360.64</u>		<u>3,389,360.64</u>
Transfers:			
Reserve for Future Capital Outlays	(374,524.00)	374,524.00	
Improvement Authorizations	<u>(54,000.00)</u>		<u>(54,000.00)</u>
Total Transfers	<u>(428,524.00)</u>	<u>374,524.00</u>	<u>(54,000.00)</u>
Total Revenues and Transfers	<u>2,960,836.64</u>	<u>374,524.00</u>	<u>3,335,360.64</u>
Expenditures			
Administration	341,138.05		341,138.05
Cost of Operations and Maintenance	2,260,501.36		2,260,501.36
Appropriated for Duly Incorporated First Aid/Rescue Squad	9,979.78		9,979.78
Length of Service Award Program (LOSAP) Contribution (P.L. 1007, Ch. 388)	<u>297,000.00</u>		<u>297,000.00</u>
Total Expenditures	<u>2,908,619.19</u>		<u>2,908,619.19</u>
Excess (Deficit) of Revenues and Transfers Over Expenditures	52,217.45	374,524.00	426,741.45
Improvement Authorizations Cancelled	<u>94,807.00</u>	<u>(31,807.00)</u>	<u>63,000.00</u>
Net Change in Fund Balance	147,024.45	342,717.00	489,741.45
Fund Balance Beginning of Year	<u>2,691,265.70</u>	<u>498,285.80</u>	<u>3,189,551.50</u>
Fund Balance End of Year	<u>\$ 2,838,290.15</u>	<u>\$ 841,002.80</u>	<u>\$ 3,679,292.95</u>

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED DECEMBER 31, 2022

Total Net Change in Fund Balances - Governmental Funds (B-2)	\$ 489,741.45
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Adjustments required for GASB 68 and GASB 75:	
GASB 68 Benefit	96,004.00
GASB 75 Benefit	825,970.00
Capital outlays are reported in 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 outlay exceeded depreciation in the current period.	
Depreciation Expense	(380,192.62)
Fixed Asset Additions (Net)	93,435.53
Depreciable Capital Outlays	(122,625.86)
Loss on Disposal of Capital Assets	(2,335.35)
Transfer to Improvement Authorizations	54,000.00
Improvement Authorizations Canceled	<u>(63,000.00)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ 990,997.15</u>

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

NOTES TO FINANCIAL STATEMENTS

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accounting policies of the Toms River Fire Commissioners, District No. 2 (District) conform with accounting principles generally accepted in the United States of America and the standards applicable to special districts which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. For the year ended December 31, 2022, the financial statements of the Toms River Fire Commissioners, District No. 2 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as a special district. The Board of Fire Commissioners consists of elected officials and is responsible for the fiscal control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in calendar year 2021. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

Combined Fund and Government-wide Financial Statements

As a special purpose governmental entity engaged in a single governmental program the District has opted to present its financial data in the form of combined fund and government-wide financial statements to simplify its' annual financial reporting process.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Combined Fund and Government-wide Financial Statements (Continued)

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

Governmental Fund Types

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

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

In conformity with GASB 34, the District's combined fund and government-wide financial statements present adjustments to reconcile the general and capital fund balances to net position.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the useful lives of capital assets, depreciation expense, and the net pension liability.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Fund Basis of Accounting

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

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its fire districts the entire balance of taxes in the amount voted upon or certified prior to the end of the year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

Government-wide Basis of Accounting

The government-wide statements are presented using the accrual basis of accounting. Under the full accrual basis, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Budgets/Budgetary Control

Annual budgets are prepared each year for the operations of the fire districts. The budgets are approved by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The budgets are then voted upon by the public. The budgetary transfers may be made during the last two months of the year.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and the fund basis of accounting previously described. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at year end.

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. Specific encumbrances in governmental funds are reported as liabilities at year end as they constitute expenditures or rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the following year. The balance of the unencumbered appropriations is recorded as a reserve to fund balance for unrecorded expenditures and commitments that pertain to the prior year. At the end of the following year, an entry will be made to fund balance for the unexpended appropriations of the prior year.

Fixed Assets

In the fund financial statements, fixed assets used in governmental operations are accounted for as expenditures of the government fund upon acquisition.

In the government-wide basis of accounting, fixed assets are accounted for as capital assets. The District generally capitalizes assets with a cost of \$5,000 or more as outlays occur. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable.

The cost of normal maintenance and repairs that do not add the value to the asset or materially extended asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects are constructed. Interest incurred during construction is not capitalized.

Depreciation of all fixed assets is recorded as an operating expense in the Statement of Revenues, Expenses, and Changes in Governmental Fund Balances and Net Position with accumulated depreciation reflected in the Statement of Net Position and Governmental Funds Balance Sheet. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation, generally 5 years for general purpose vehicles, 5-10 years for firefighting equipment, 15-20 years for firefighting vehicles and 39 years for leasehold improvements.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Capital Assets

In accordance with the provisions of the pronouncement related to accounting and financial reporting for impairment of capital assets, the District assesses capital assets for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset have both significantly and unexpectedly declined. For the year ended December 31, 2022 management has determined that there was no impairment of capital assets.

Interfund Transactions and Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers between the general and capital fund of the District net to zero on the Statement of Revenues, Expenses and Changes in Governmental Fund Balances and Net Position.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those loans are reported as interfund receivables and payables on the fund basis of accounting. Interfund payables and receivables between funds are eliminated in the Statement of Net Position and Governmental Funds Balance Sheet.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund. For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred Outflows/Inflows of Resources

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position.

Deferred outflows of resources, represent 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. Deferred inflow 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 then. The District's deferred outflows and deferred inflows are a result of its participation in the pension plan (see Note 8) and the provision of post-employment benefits other than pensions (OPEB)(see Note 9).

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Fund Basis

Fund balance is reported in classifications depicting the relative strength of the constraint that controls how specific amounts can be spent. Classifications are as follow:

- Non-spendable – includes amounts that are not in a spendable form or not expected to be converted to cash (inventory, for example) or are legally and contractually required to be maintained intact (principal of an endowment fund, for example).
- Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors, contributors, creditors, or law or regulations of other governments or through enabling legislation that creates a new revenue source and restricts its use. Restrictions may be changed or lifted with the consent of resource providers.
- Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board of Commissioners. The constraint can only be removed or changed by taking the same type of action the District employed to commit those amounts. Such formal action consists of an affirmative vote by the Board of Commissioners.
- Assigned – comprises amounts intended to be used by the District for specific purposes, but are neither restricted nor committed. Intent is expressed by the District Board of Commissioners.
- Unassigned – this is the residual amount for the General Fund, and represents fund balance that has not been restricted, committed, or assigned. 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, it may be necessary to report a negative unassigned fund balance.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Government-wide Basis

Net position is displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation.
- Restricted for capital acquisitions – Current balance consists of net position restricted for the expansion of the fire house, fire truck, brush truck and equipment.
- Unrestricted net position – All net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

Advertising

The District expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2022 and 2021 approximated \$2,472 and \$2,932 respectively.

(2) ADJUSTMENTS TO ARRIVE AT NET POSITION

Capital Assets – Net and Net Investment in Capital Assets

For the years ended December 31, 2022 and 2021 capital assets, net in the amount of \$3,908,779 and \$4,197,872, respectively have been included in the government-wide presentation.

Interfund Receivables and Payables

For the years ended December 31, 2022 and 2021 interfund receivables and payables in the amount of \$1,039,981 and \$828,890, respectively, have been eliminated in arriving at the government-wide presentation.

Fund Balances, Unrestricted Net Position, and Net Position Restricted for Capital Acquisitions

For the years ended December 31, 2022 and 2021 fund balances in the amount of \$3,679,293 and \$3,189,552, respectively, have been eliminated. Unrestricted net position in the amount of \$2,385,865 and \$1,316,867, respectively, and net position restricted for capital acquisitions in the amount of \$1,039,981 and \$828,890, respectively, has been included in the government-wide presentation.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(2) ADJUSTMENTS TO ARRIVE AT NET POSITION (CONTINUED)

Improvement Authorizations

Improvement authorizations, which are liabilities that represent the District's earmarking of fund balance for a specified future project, do not represent liabilities as defined by U.S. generally accepted accounting principles. Therefore, for the years ended December 31, 2022 and 2021, improvement authorizations in the amount of \$198,978 and \$330,604, respectively, have been eliminated in arriving at the government-wide presentation.

Public Employees' Retirement System ("PERS") Payable

For accrual basis of accounting, a payable to a defined benefit pension plan is recognized on the face of the financial statements. Therefore, for the years ended December 31, 2022 and 2021, PERS payable in the amount of \$18,337 and \$742, respectively, have been included in the government-wide presentation.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources related to pensions and post-employment benefits other than pensions are future expenses and revenues for GAAP purposes and not for budgetary purposes. Therefore, for the years ended December 31, 2022 and 2021 the deferred outflows of resources relating to pensions in the amounts of \$227,721 and \$8,855, respectively, and deferred inflows of resources relating to pensions in the amounts of \$410,337 and \$498,375, respectively, have been included in government-wide presentation. Similarly, for the years ended December 31, 2022 and 2021, the deferred outflows of resources relating to post-employment benefits other than pensions in the amounts of \$637,090 and \$42,390, respectively, and deferred inflows of resources relating to post-employment benefits other than pensions in the amounts of \$240,096 and \$201,853 respectively, have also been included in the government-wide presentation.

Net Pension Liability and Net OPEB Liability

For GAAP purposes net pension liability and net opeb liabilities are an accrued expense for future payments. They are not due in the current period for budgetary purposes. Therefore, for the years ended December 31, 2022 and 2021 the net pension liability in the amounts of \$210,900 and \$0, respectively, have been included in the government-wide presentation. Similarly, for the years ended December 31, 2022 and 2021, the net opeb liability in the amounts of \$455,903 and \$725,416, respectively, have been included in the government-wide presentation.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(3) ADJUSTMENTS TO ARRIVE AT THE CHANGES IN NET POSITION

Expenditures

For the year ended December 31, 2022, Depreciation expense in the amount of \$380,193 has been included in the government-wide presentation. Other accounts such as Communications and Capital Outlay were either decreased or increased by \$93,436 and \$122,626 respectively to record amounts due from/to the District. There was also a loss on disposal of capital assets in the amount of \$2,335. The net effect on operating appropriations is an increase of \$411,718.

For the year ended December 31, 2021, Depreciation expense in the amount of \$359,937 has been included in the government-wide presentation. Salaries, benefits and payroll taxes have been decreased by \$53,029 for the changes between prior year and current year pers, compensated absences and payroll tax amounts payable. Prepaid insurance and Reserve for LOSAP Trust have been increased by \$22,962. Other accounts such as cost of Operations & Maintenance and Capital Outlay were decreased by 284,901 to record amounts due from/to the District. The net effect on operating appropriations is an increase of \$44,969.

Capital Appropriations

For the year ended December 31, 2022 reserve for future capital outlays and related transfers have been reduced by \$428,524 on the government-wide presentation to eliminate the general fund expenditure and capital fund revenue related to the creation of improvement authorizations. Additionally, capital projects have been increased by \$139,432 to eliminate the general fund and capital fund expenditures related to the creation of improvement authorizations. The net effect on capital appropriations and related transfers is a decrease of \$289,092.

For the year ended December 31, 2021 reserve for future capital outlays and related transfers have been reduced by \$317,924 on the government-wide presentation to eliminate the general fund expenditure and capital fund revenue related to the creation of improvement authorizations. Additionally, capital projects have been increased by \$292,346 to eliminate the general fund and capital fund expenditures related to the creation of improvement authorizations. The net effect on capital appropriations and related transfers is a decrease of \$25,578.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(4) DEPOSITS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agency of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of fund investments is generally not required.

The cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums. Cash determined by the Board of Commissioners consists of all banks.

As of December 31, 2022 and 2021 the District's cash accounts consisted of:

	<u>2022</u>	<u>2021</u>
Santander - Checking	\$ 16,482	\$ 16,482
Santander - Money Market	10,653	161,589
Santander - Payroll Checking	36,544	29,538
Lakeland - Checking	305,307	229,269
Lakeland - Money Market	2,955,185	1,164,661
Kearney - Money Market	<u>1,107,595</u>	<u>1,095,276</u>
Total Cash	<u>\$ 4,431,766</u>	<u>\$ 2,696,815</u>

The carrying amount of the District's cash and cash equivalents at December 31, 2022 was \$4,431,766 and the bank balance was \$4,437,847. Of the balance, \$563,679 was covered by federal depository insurance and \$3,874,168 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental units' deposits in excess of the federal deposit maximums.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(4) DEPOSITS AND INVESTMENTS (CONTINUED)

The cash deposits held at financial institutions can be categorized according to three levels of risk as described below:

Category 1	Deposits which are covered by FDIC, or collateralized by securities held by the District or its agent, in the District's name	\$ 563,679.00
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or Agent in the District's name	\$3,874,168.00
Category 3	Cash which are not collateralized or insured	-

Investments

New Jersey statutes establish the following securities as eligible for the investment of District funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- (c) Bonds or other obligations of the District or bonds or other obligations of school districts of which the district is a part or within which the school district is located.
- (d) Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- (e) Qualified mutual funds with portfolios limited to (i) bonds or other obligations of, or guaranteed by, the United States of America; and (ii) repurchase agreements fully collateralized by such obligations. These investments must be transacted only through national or state banks located within New Jersey.

During the year, the District had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2022 and 2021, no such investments were held by the District.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(4) DEPOSITS AND INVESTMENTS (CONTINUED)

As of December 31, 2022 and 2021, the District had no investments as described above.

(5) ASSESSMENT AND COLLECTION OF MONEY AUTHORIZED BY VOTERS

Upon proper certification pursuant to Section 9 of P.L. 1979 c. 453 (C.40[A]:14-79), the assessor of the municipality, in which the fire district is situate, shall assess the amount to be raised by taxation to support the district budget against the taxable property therein, in the same manner as municipal taxes are assessed and the same amount shall be assessed, levied and collected at the same time and in the same manner as other municipal taxes.

The collector or treasurer of the municipality, in which said district is situate, shall pay over all moneys so assessed to the treasurer or custodian of funds of said fire district as follows; on or before April 1, an amount equaling 21.25% of all moneys so assessed; on or before July 1, an amount equaling 22.5% of all monies so assessed; on or before October 1, an amount equaling 25% of all monies so assessed; and on or before December 31, an amount equaling the difference between the total of all monies so assessed and the total amount of such monies previously paid over, to be held and expended for the purpose of providing and maintaining means for extinguishing fires in such district.

Notwithstanding anything herein to the contrary, the municipal governing body may authorize, in the cash management plan adopted by it pursuant to N.J.S. 40A:5-14, a schedule of payments of fire districts moneys by which an amount greater than required on any of the first three payment dates cited herein may be paid over. The municipal governing body and board of fire commissioners may, by concurrent resolution, adopt a schedule of payments of fire district moneys by which an amount less than required in any of the first three payment dates, cited herein may be paid over. Such resolution shall be included in the cash management plan adopted by the municipal governing body pursuant to N.J.S. 40A:5-14.

The commissioners may also pay back, or cause to be paid back to such municipality, any funds or any part thereof paid to the treasurer or custodian of funds of such fire district by the collector or treasurer of the municipality, representing taxes levied for fire district purposes but not actually collected in cash by said collector or treasurer.

(6) FUNDING

The activities of the Toms River Fire Commissioners District No. 2 are primarily funded by the striking of a fire tax on the property owners of the Fire District, as provided for by state statute. For the years ended December 31, 2022 and 2021, the fire tax rate on Fire District No. 2 was \$0.046 and \$0.062, respectively, per \$100 of assessed valuation.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(6) FUNDING (CONTINUED)

The tax revenue is supplemented by income earned on surplus funds invested in savings and money market accounts during the year.

The District participates in the Supplemental Fire Services Program and received a basic entitlement grant of \$9,898 each year for the years ended December 31, 2022 and 2021, respectively.

(7) AWARDS PROGRAM AND LOSAP

The district maintains an Awards Program for payments to certain retired personnel. This program is administered by the Commissioners of the District. The maximum LOSAP awards allowable for 2022 and 2021 were \$1,936 and \$1,804 respectively.

Effective July 1, 1993 the Board of Commissioners began a Length of Service Pension Program. The District maintains a LOSAP in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Program permits the District to provide tax-deferred income benefits to active volunteer members of an emergency service organization. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

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

The District has Glatfelter Specialty Benefits, its agent, to administer its LOSAP program. Contributions by the district to this program have been made each year since its inception. The contribution is based on an actuarial calculation. For 2022 and 2021 the budgeted amount of contribution was \$297,000 and \$259,500 respectively. The remaining budget is reserved for future contribution. Since this plan is administered by an outside insurance company, it was not made part of this audit. Detail of this program can be obtained from Toms River Fire Commissioners, District No. 2 upon request.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS) which has been established by state statute and is administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, 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.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

The District's share of pension, which is based upon the annual billings received from the state, amounted to \$17,623.00 for 2022, \$0.00 for 2021 and \$30,809.00 for 2020.

Certain District employees are also covered by the Federal Insurance Contribution Act.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating employer as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2022

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$210,900.00 for the District’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District’s proportion was 0.0013974884 percent, which was an increase of 0.0013974884 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$78,382.00 for the District’s proportionate share of the total pension expense. The pension expense recognized in the District’s financial statements based on the April 1, 2022 billing was \$0.00.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 1,522.00	\$ 1,342.00
Changes of assumptions	653.00	31,580.00
Net difference between projected and actual earnings on pension plan investments	8,729.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>216,817.00</u>	<u>377,415.00</u>
	<u>\$ 227,721.00</u>	<u>\$ 410,337.00</u>

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$50,210.60)
2024	(41,336.60)
2025	(36,614.60)
2026	(22,313.60)
2027	<u>(32,140.60)</u>
	<u>(\$182,616.00)</u>

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 to all projected benefit payments in determining the total pension liability.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(8) PENSION PLAN (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$270,945.00	\$210,900.00	\$159,800.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(9) GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the District has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the District is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the District is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

- (9) GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)

Plan Description and Benefits Provided (Continued)

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Contributions

The District's contributions to SHBP for the year ended December 31, 2022, were \$33,337.06, which equaled the required contributions for the year.

Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$455,903.00 for the District's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The District's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the District's proportion was 0.002823 percent. For the year ended June 30, 2022, the State reported OPEB expense of \$83,484.00. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(9) GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$23,543.00	\$84,505.00
Changes of assumptions	60,842.00	155,591.00
Net difference between projected and actual earnings on OPEB plan investments	120.00	
Changes in proportion	540,297.00	
District's contributions subsequent to the measurement date	<u>12,288.00</u>	
	<u>\$637,090.00</u>	<u>\$240,096.00</u>

Deferred outflows of resources in the amount of \$12,288.00 was the result of the District contributions subsequent to the Plan's measurement date of June 30, 2022. This amount will be included as a reduction of the District's net OPEB liability during the fiscal year ending June 30, 2023.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(9) GASB 75 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75
(CONTINUED)

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	Amount
<u>June 30,</u>	
2023	\$66,748.40
2024	66,711.40
2025	75,407.40
2026	93,477.40
2027	104,790.40
2028-2029	<u>(22,429.00)</u>
	<u>\$384,706.00</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases:	
Public Employees Retirement System (PERS):	
Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25% to 16.25%

<u>Mortality</u>	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(9) GASB 75 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75
(CONTINUED)

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

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the District's as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	<u>1.00%</u> <u>Decrease (2.54%)</u>	<u>At Discount</u> <u>Rate (3.54%)</u>	<u>1.00%</u> <u>Increase (4.54%)</u>
District's proportionate share of the Net OPEB Liability	\$528,483.45	\$455,903.08	\$397,505.38

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(9) GASB 75 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75
(CONTINUED)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the District's as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1.00%</u>	<u>Healthcare Cost</u>	<u>1.00%</u>
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
District's proportionate share of the Net OPEB Liability	\$386,756.31	\$455,903.08	\$544,460.62

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

(10) LEASES

The District has not entered into any lease agreements during the period under audit nor does it have any existing lease agreements.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(11) CAPITAL ASSETS

The following schedules are a summary of the capital assets by source for the years ended December 31, 2022 and 2021:

Description	January 1, 2022	Additions	Transfers/ Disposal	December 31, 2022
Capital assets not being depreciated:				
Land	\$ 21,400	\$ -	\$ -	\$ 21,400
Construction in progress				
Total	21,400			21,400
Capital assets being depreciated:				
Buildings	1,119,467			1,119,467
Machinery & equipment	1,261,692	93,435	12,738	1,342,389
Fire apparatus	5,414,946			5,414,946
Total	7,796,105	93,435	12,738	7,876,802
Less accumulated depreciation:				
Buildings	646,881	29,118		675,999
Machinery & equipment	649,860	88,273	10,403	649,860
Fire apparatus	2,322,892	262,801		2,585,694
Total	3,619,633	380,193	10,403	3,989,423
Total capital assets being depreciated, net	4,176,472	(17,038)		3,887,379
Net capital assets	\$ 4,197,872	\$ (17,038)	\$	\$ 3,908,779

Description	January 1, 2021	Additions	Transfers/ Disposal	December 31, 2021
Capital assets not being depreciated:				
Land	\$ 21,400	\$ -	\$ -	\$ 21,400
Construction in progress				
Total	21,400			21,400
Capital assets being depreciated:				
Buildings	1,119,467	-		1,119,467
Machinery & equipment	1,099,700	161,992		1,261,692
Fire apparatus	5,513,236	181,765	280,055	5,414,946
Total	7,732,403	343,757	280,055	7,796,105
Less accumulated depreciation:				
Buildings	617,762	29,118		646,881
Machinery & equipment	566,408	83,452		649,860
Fire apparatus	2,346,183	252,453	280,055	2,322,892
Total	3,530,354	360,795	280,055	3,619,633
Total capital assets being depreciated, net	4,202,049	(17,038)		4,176,472
Net capital assets	\$ 4,223,449	\$ (17,038)	\$	\$ 4,197,872

Depreciation expense for the years ended Dec. 31, 2022 & 2021 was \$380,193 and \$359,937.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(12) JOINT VENTURE

Several functions of the two Fire Districts of the Township of Toms River are performed on a pooled or shared basis. Expenditures are paid by District No. 1. The allocated portion of the disbursements is billed for reimbursement to District No. 2. This allocation is determined by a formula based on the ratio agreed upon by both districts. The joint activities produce revenues from fees charged at the Fire Academy and from fire inspection fees. The revenues are returned to each District based on their boundary of collections. For the years ended December 31, 2022 and 2021 expenditures, net of revenues, were \$793,637 and \$849,580, respectively.

The Board of commissioners of Fire District No. 1 has been designated as the "lead agency". As such, it is responsible for the bookkeeping of the joint activities.

(13) VESTED EMPLOYEE BENEFITS

In accordance with GASB - 16 and NCGA - 1 (Governmental Accounting and Financial Reporting Principles), the portion of estimated future payments for compensated absences that will use current expendable resources is reported as a current fund liability in the governmental activities fund. For the years ended December 31, 2022 and 2021, the vested balances were \$26,522.60 and \$17,826.92, respectively.

(14) RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

(15) SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after December 31, 2022 through the date of December 8, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the District has determined that no subsequent events require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	ADOPTED BUDGET	FINAL BUDGET	ACTUAL AMOUNTS BUDGETARY BASIS SEE NOTE A AT C-2	VARIANCE FINAL TO ACTUAL
Revenues and Fund Balances Utilized:				
Fund Balances Utilized:				
Unrestricted Fund Balance	\$ 486,493.00	\$ 540,493.00	\$ 540,493.00	\$
Restricted Fund Balance	54,000.00			
Total Fund Balances Utilized	<u>540,493.00</u>	<u>540,493.00</u>	<u>540,493.00</u>	
Interest on Investments and Deposits	10,000.00	10,000.00	32,386.28	22,386.28
Supplemental Fire Services Program	9,899.00	9,899.00	9,898.35	(0.65)
Total Revenues and Fund Balance Utilized	<u>560,392.00</u>	<u>560,392.00</u>	<u>582,777.63</u>	<u>22,385.63</u>
Amount to be Raised by Taxation	<u>3,308,221.77</u>	<u>3,308,221.77</u>	<u>3,308,221.77</u>	
Total Anticipated Revenues	<u>3,868,613.77</u>	<u>3,868,613.77</u>	<u>3,890,999.40</u>	<u>22,385.63</u>
Miscellaneous			38,854.24	<u>38,854.24</u>
Total Revenues	<u>3,868,613.77</u>	<u>3,868,613.77</u>	<u>3,929,853.64</u>	<u>61,239.87</u>
Appropriations:				
Administration:				
Professional Services	38,000.00	33,000.00	2,696.00	30,304.00
Office Equipment Maintenance	6,500.00	6,500.00	5,689.09	810.91
Opti-Com	5,000.00	5,000.00		5,000.00
Election Expenses	33,000.00	31,000.00	15,339.84	15,660.16
Advertising	3,100.00	3,100.00	2,471.59	628.41
Supplies	3,000.00	3,000.00	2,651.75	348.25
Dues & Subscriptions	5,000.00	5,000.00	1,853.87	3,146.13
Telephone	7,000.00	9,000.00	8,203.44	796.56
Fire Commissioners Salaries	36,000.00	36,000.00	34,891.92	1,108.08
Conferences	10,000.00	2,500.00	1,460.00	1,040.00
Other Salaries, Benefits & Payroll Taxes	273,000.00	246,000.00	242,148.55	3,851.45
Communication Equipment	2,800.00	2,800.00		2,800.00
Health Protection	40,000.00	40,000.00	23,732.00	16,268.00
	<u>462,400.00</u>	<u>422,900.00</u>	<u>341,138.05</u>	<u>81,761.95</u>
Cost of Operations & Maintenance:				
Electricity	7,000.00	7,000.00	4,548.19	2,451.81
Cable	1,000.00	1,000.00	694.20	305.80
Gas	5,000.00	4,900.00	3,136.86	1,763.14
Sewer	700.00	800.00	730.42	69.58
Travel	500.00	500.00	82.85	417.15
Radios & Computers for Vehicles	326,000.00	367,499.62	367,499.62	
Hydrants, Water and Sprinkler Service	239,500.00	240,000.00	228,263.20	11,736.80
Training and Fire School	12,000.00	7,000.00	1,612.47	5,387.53
Insurance	170,000.00	170,000.00	160,846.92	9,153.08
Fire Protection Services, Losses, Expenses and Rent	236,975.00	236,975.00	232,454.00	4,521.00
Stand-by Crew	100,000.00	88,500.00	74,025.00	14,475.00
Supplies	262,000.00	220,500.38	191,050.74	29,449.64
Fuel	26,000.00	38,500.00	35,534.43	2,965.57
Physicals	10,000.00	9,000.00	3,166.00	5,834.00
Joint District Appropriation	\$ 1,127,414.77	\$ 1,127,414.77	\$ 793,637.00	\$ 333,777.77

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	ADOPTED BUDGET	FINAL BUDGET	ACTUAL AMOUNTS BUDGETARY BASIS SEE NOTE A AT C-2	VARIANCE FINAL TO ACTUAL
Cost of Operations & Maintenance)Continued):				
Fitness Program	\$ 10,000.00	\$ 10,000.00	\$ 3,789.00	\$ 6,211.00
Equipment Repairs	158,000.00	174,000.00	155,841.13	18,158.87
Licenses	100.00	100.00		100.00
Contingencies	3,000.00	4,000.00	3,589.33	410.67
Haz-Mat	2,500.00	2,500.00		2,500.00
	<u>2,697,689.77</u>	<u>2,710,189.77</u>	<u>2,260,501.36</u>	<u>449,688.41</u>
Appropriated for Duly Incorporated First				
Aid/Rescue Squad:				
Pleasant Plains	5,000.00	5,000.00	4,979.78	20.22
Silverton	5,000.00	5,000.00	5,000.00	
	<u>10,000.00</u>	<u>10,000.00</u>	<u>9,979.78</u>	<u>20.22</u>
Length of Service Award Program (LOSAP)				
Contribution (P.L. 1997, Ch. 388)	<u>270,000.00</u>	<u>297,000.00</u>	<u>297,000.00</u>	
Capital Appropriations:				
Replace 3065	209,524.00	209,524.00	209,524.00	
Replace 3000	20,000.00	20,000.00	20,000.00	
Replace 2900	20,000.00	20,000.00	20,000.00	
SVFC Boat	125,000.00	125,000.00	125,000.00	
Fire Academy Paving	54,000.00	54,000.00	54,000.00	
	<u>428,524.00</u>	<u>428,524.00</u>	<u>428,524.00</u>	
Capital Outlay			<u>122,625.86</u>	<u>(122,625.86)</u>
Total Appropriations	<u>3,868,613.77</u>	<u>3,868,613.77</u>	<u>3,459,769.05</u>	<u>408,844.72</u>
Excess of Revenues and Fund Balances Utilized Over Appropriations	<u>\$</u>	<u>\$</u>	<u>\$ 470,084.59</u>	<u>\$ 470,084.59</u>

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2BUDGET TO GAAP RECONCILIATIONFOR THE YEAR ENDED DECEMBER 31, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures

GENERAL
FUND

Sources/Inflows of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (C-1)	\$ 3,929,853.64
Differences - budget to GAAP: The fund balance appropriated is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(540,493.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 3,389,360.64</u>
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule (C-1)	\$ 3,459,769.05
Differences - budget to GAAP: Capital Outlay	(122,625.86)
For the year ended December 31, 2022, reserve for future capital outlays and related transfers have been reduced by \$428,524.00 on the government-wide presentation to eliminate the general fund expenditure and capital fund revenue related to the creation of improvement authorizations	<u>(428,524.00)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 2,908,619.19</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
SCHEDULE OF THE DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
FOR THE YEARS ENDED DECEMBER 31, 2022 THROUGH 2014

	2022	2021**	2020*	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (Local Group)	0.0013974884%	0.0000000000%	0.0028163090%	0.0028444377%	0.0027945600%	0.0027502361%	0.0026690349%	0.0025545487%	0.0026619829%
District's proportionate share of the net pension liability (Local Group)	\$ 210,900	\$ 0	\$ 459,266	\$ 512,525	\$ 550,238	\$ 640,211	\$ 796,415	\$ 595,893	\$ 498,396
District's covered-employee payroll	\$ 106,092	\$ 102,996	\$ 92,308	\$ 192,984	\$ 202,884	\$ 196,975	\$ 191,243	\$ 186,873	\$ 180,175
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	199%	0%	498%	266%	271%	325%	416%	319%	277%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Benefit Changes

None

Changes of Assumptions

The discount rate remained unchanged from 7.00% as of June 30, 2021 to 7.00% as of June 30, 2022

** District's proportion of the net pension liability and the District's proportionate share of the net pension liability are zero because of delayed enrollment in the PERS.

* District's covered-employee payroll is estimated because of delayed enrollment in the PERS.

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

IOWA RIVER FIRE COMMISSIONERS DISTRICT NO. 2

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

FOR THE YEARS ENDED DECEMBER 31, 2022 THROUGH 2014

	2022	2021**	2020*	2019	2018	2017	2016	2015	2014
Contractually required contributions									
Regular pension and non-contributory group insurance contribution	\$ 17,623	\$ 742	\$ 30,809	\$ 27,668	\$ 27,797	\$ 25,478	\$ 23,889	\$ 22,822	\$ 21,945
Chapter 19 P.L. 2009 contribution	714	742	728	726	720	716	707	699	695
	18,337	742	31,537	28,394	28,517	26,194	24,596	23,521	22,640
Contributions in relation to the contractually required contribution	(18,337)	(742)	(31,537)	(28,394)	(28,517)	(26,194)	(24,596)	(23,521)	(22,640)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Percent of base wages	7.50%	7.50%	7.50%	7.50%	7.34% - 7.50%	7.20% - 7.34%	7.06% - 7.20%	6.92% - 7.06%	6.78% - 6.92%
District's covered-employee payroll	\$ 106,092	\$ 102,996	\$ 92,308	\$ 192,984	\$ 202,884	\$ 196,975	\$ 191,243	\$ 186,873	\$ 180,175
Contributions as a percentage of the District's covered-employee payroll	17.28%	0.72%	34.16%	14.71%	14.06%	13.30%	12.86%	12.59%	12.57%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

** District's regular pension and non-contributory group insurance contribution is zero because of delayed enrollment in the PERS.

* District's covered-employee payroll is estimated because of delayed enrollment in the PERS.

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions:

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2022 and June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the Actuaries.

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2022 and June 30, 2021.

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022*</u>
District's proportion of the net opeb liability	0.002823%
District's proportionate share of the net opeb liability (asset)	\$ 455,903
District's covered-employee payroll	\$ 106,092
District's proportionate share of the net opeb liability as a percentage of it's covered-employee payroll	430%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Benefit Changes

* The District switched from a single-employer defined benefit opob plan to the cost-sharing multiple employer defined benefit State Health Benefit Local Government Retired Employees Plan beginning with the period under audit.

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>
Contractually required contributions	\$ 33,337
Contributions in relation to the contractually required contribution	33,337
Contribution deficiency (excess)	0
District's covered-employee payroll	\$ 106,092
Contributions as a percentage of the District's covered-employee payroll	31.42%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Benefit Changes

* The District switched from a single-employer defined benefit opsb plan to the cost-sharing multiple employer defined benefit State Health Benefit Local Government Retired Employees Plan beginning with the period under audit.

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

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

Change in benefit terms

The District switched from a single-employer defined benefit opeb plan to the cost-sharing multiple employer defined benefit State Health Benefit Local Government Retired Employees Plan beginning with the period under audit.

Assumptions

The discount rate for June 30, 2022 was 3.54%.

OTHER SUPPLEMENTARY INFORMATION

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

PURPOSE	DATE	AUTHORIZED APPROPRIATION AMOUNT	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATION	2022 EXPENDED	2022 CANCELED	BALANCE DECEMBER 31, 2022
DISTRICT NO. 2							
Rescue Truck	02/20/16	\$ 504,518.00	\$ 552.76	\$	\$	\$	552.76
Opti-Com System	Various	389,465.00	85,134.47				85,134.47
Fire Police Vehicle	02/17/18	75,000.00	126.16				126.16
Replace 3007	Various	625,000.00	143.00				143.00
Administration Vehicle	02/17/21	67,500.67	643.37				643.37
Subtotal		<u>1,661,483.67</u>	<u>86,599.76</u>				<u>86,599.76</u>
JOINT BOARD CAPITAL							
Fire Dispatch - Consoles Upgrades	02/15/14	97,500.00	97,500.00		(97,425.86)		74.14
Fire Academy - Upgrades	02/16/19	37,800.00	37,800.00		(37,800.00)		
Fire Prevention Bureau Vehicle	02/16/19	25,200.00	25,200.00		(25,200.00)		
Future Capital Improvements	02/05/20	15,104.21	15,104.21				15,104.21
Fire Prevention Bureau Vehicle	02/15/20	32,400.00	32,400.00		(25,200.00)		7,200.00
Fire Academy - Upgrades	02/15/20	36,000.00	36,000.00				36,000.00
Fire Academy - Paving	02/16/22	54,000.00		54,000.00			54,000.00
Subtotal		<u>298,004.21</u>	<u>244,004.21</u>	<u>54,000.00</u>	<u>(122,625.86)</u>	<u>(63,000.00)</u>	<u>112,378.35</u>
Grand Total		<u>\$ 1,959,487.88</u>	<u>\$ 330,603.97</u>	<u>\$ 54,000.00</u>	<u>\$ (122,625.86)</u>	<u>\$ (63,000.00)</u>	<u>\$ 198,978.11</u>

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2
SCHEDULE OF FUND BALANCE - CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

PURPOSE	BALANCE DECEMBER 31, 2021	2022 BUDGET RFFCO*	2022 CANCELED	BALANCE DECEMBER 31, 2022
PPFD*				
Replace 3000	\$ 20,000.00	20,000.00		\$ 40,000.00
Replace 3065	352,381.00	209,524.00		561,905.00
PPFD Total	<u>372,381.00</u>	<u>229,524.00</u>		<u>601,905.00</u>
SVFC*				
Replace 2900	20,000.00	20,000.00		40,000.00
Boat		125,000.00		125,000.00
SVFC Total	<u>20,000.00</u>	<u>145,000.00</u>		<u>165,000.00</u>
OTHER				
Joint Board - Fire Prevention Bureau Vehicle	56,160.00			56,160.00
Joint Board - Fire Academy Upgrades	17,937.80			17,937.80
OTHER Total	<u>74,097.80</u>			<u>74,097.80</u>
DISTRICT NO. 2				
Two Asst. Chief Vehicles (2012 Cancellation)	31,807.00		(31,807.00)	
Subtotal	<u>31,807.00</u>		<u>(31,807.00)</u>	
Grand Total	<u>\$ 498,285.80</u>	<u>\$ 374,524.00</u>	<u>\$ (31,807.00)</u>	<u>\$ 841,002.80</u>
RFFCO - Reserve for Future Capital Outlays				
PPFD - Pleasant Plains Fire Department				
SVFC - Silverton Volunteer Fire Company				

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

STATISTICAL INFORMATION

DECEMBER 31, 2022

Property Tax Levies

The following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuation for the last ten (10) years:

<u>Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
↙2022 R	\$7,297,225,765	\$3,308,222	0.046
2021	4,690,187,600	2,881,218	0.062
↙2020	4,653,379,777	2,834,415	0.061
↙2019	4,633,785,870	2,746,782	0.060
↙2018	4,600,677,748	3,070,008	0.067
↙2017	4,593,750,077	3,188,000	0.070
↙2016	4,536,024,101	3,228,231	0.072
↙2015	4,499,250,307	3,356,174	0.075
↙2014	4,469,931,333	2,896,000	0.065
↙2013	4,494,959,300	2,949,396	0.066

R = Revaluation

General Fund - Fund Balance

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Subsequent Budget</u>
↙2022	\$2,838,290	\$486,493
↙2021	2,691,266	486,493
↙2020	2,616,004	486,493
↙2019	2,325,662	414,000
↙2018	2,897,284	414,000
↙2017	1,687,239	307,893
↙2016	1,476,356	255,553
↙2015	1,142,364	0
↙2014	877,602	0
↙2013	937,761	285,184

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

STATISTICAL INFORMATION

DECEMBER 31, 2022

Capital Fund - Fund Balance

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Subsequent Budget</u>
2022	\$841,003	\$50,078
2021	498,286	54,000
2020	408,624	68,400
2019	784,563	140,893
2018	439,669	261,746
2017	450,472	172,893
2016	1,218,829	1,100,000
2015	945,079	82,500
2014	1,352,996	616,667
2013	862,996	55,000

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

ROSTER OF OFFICIALS

DECEMBER 31, 2022

The following Officials were in office during the period under audit:

<u>Board of Commissioners</u>	<u>Position</u>	<u>Surety Bond</u>
Kevin W. Britton	Chairman	\$ 1,000,000*
Joseph Duff	Treasurer	1,000,000*
Michael C. Willson	Clerk	1,000,000*
David H. Seiders	Assistant Clerk	1,000,000*
Richard Heroy	Commissioner	1,000,000*

Other Officials

Timothy J. Carson	Business Administrator
Richard M. Braslow	Board Attorney

* Blanket Bond Coverage

Surety Company

Selective Insurance Company of America

TOMS RIVER FIRE COMMISSIONERS DISTRICT NO. 2

DECEMBER 31, 2022

GENERAL COMMENTS AND RECOMMENDATIONS

NONE