

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL

Financial Statements and Supplementary Information

For the year ended December 31, 2024

(With Independent Auditor's Report Thereon)

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Table of Contents

	<u>PAGE:</u>
Independent Auditor’s Report	1
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
 REQUIRED SUPPLEMENTARY INFORMATION, PART I:	
Management’s Discussion and Analysis	6
 BASIC FINANCIAL STATEMENTS:	
<u>Exhibit:</u>	
A-1 District Wide Statement of Net Position	13
A-2 District Wide Statement of Activities	15
B-1 Governmental Funds Balance Sheet	16
B-2 Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance	17
B-2A Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government Wide Statement of Activities	19
Notes to the Financial Statements	21
 REQUIRED SUPPLEMENTARY INFORMATION, PART II:	
<u>Schedule:</u>	
I Budgetary Comparison Schedule – General Fund	58
II Budgetary Comparison Schedule – Special Revenue Fund	60
Notes to the Required Supplementary Information	
Budgetary Basis to Governmental Funds Financial Statements Reconciliation	61
III Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employee’s Retirement System	62
IV Schedule of the District’s Contributions – Public Employee’s Retirement System	63
V Schedule of the District’s Proportionate Share of the Net Pension Liability – Police and Firemen’s Retirement System	64
VI Schedule of the District’s Contributions – Police and Firemen’s Retirement System	65
VII Schedule of the District’ Proportionate Share of the Net Other Postemployment Benefit Liability	66
Notes to the Required Supplementary Information	67
 SUPPLEMENTARY INFORMATION:	
<u>Schedule:</u>	
I Schedule of Serial Bonds Payable	69
II Schedule of Leases	70
 GENERAL COMMENTS AND RECOMMENDATIONS:	
General Comments and Recommendations	71



INDEPENDENT AUDITOR'S REPORT

To the Board of Fire Commissioners of
Fire District No. 13 of the Township of Cherry Hill
County of Camden
Township of Cherry Hill, State of New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire District No. 13 of the Township of Cherry Hill, County of Camden, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fire District No. 13 of the Township of Cherry Hill's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 13 of the Township of Cherry Hill, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fire District No. 13 of the Township of Cherry Hill, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the fiscal year ended December 31, 2024, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and

maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District No. 13 of the Township of Cherry Hill's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fire District No. 13 of the Township of Cherry Hill's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fire District No. 13 of the Township of Cherry Hill'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, budgetary comparison information, and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fire District No. 13 of the Township of Cherry Hill's basic financial statements. The accompanying schedules of serial bonds payable and leases are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying schedules of serial bonds payable and leases are 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 January 19, 2026 on our consideration of Fire District No. 13 of the Township of Cherry Hill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire District No. 13 of the Township of Cherry Hill's internal control over financial reporting and compliance.



HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

January 19, 2026
Lakewood, New Jersey

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

To the Board of Fire Commissioners of
Fire District No. 13 of the Township of Cherry Hill
County of Camden
Township of Cherry Hill, State of New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire District No. 13 of the Township of Cherry Hill, County of Camden, State of New Jersey as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Fire District No. 13 of the Township of Cherry Hill’s basic financial statements, and have issued our report thereon January 19, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire District No. 13 of the Township of Cherry Hill’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire District No. 13 of the Township of Cherry Hill’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fire District No. 13 of the Township of Cherry Hill’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire District No. 13 of the Township of Cherry Hill's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Purpose of This Report

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

Handwritten signature in black ink that reads "HOLMAN FRENIA ALLISON P.C." in all capital letters.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

January 19, 2026
Lakewood, New Jersey

**FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at December 31, 2024, by approximately \$44,778,200. During 2023, the excess of liabilities and deferred inflows of resources over assets and deferred outflows of resources was approximately \$48,432,900.
- During 2024, the District operated at a surplus of approximately \$3,654,600. During 2023, the District operated at a surplus of approximately \$2,400,600.
- The District's liabilities and deferred inflows of resources increased approximately \$357,300 in 2024 while assets and deferred outflows of resources increased by approximately \$4,011,900.
- As described in Note 2 to the financial statements, the District has adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2024. Implementation of these statements resulted in prior period adjustment of \$7,490,326, see Note 20 of the notes to the financial statements for additional information. Prior year balances reflected in the MD&A have also been updated for comparison purposes.

USING THIS ANNUAL REPORT

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

Reporting on the District as a Whole

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

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

The district wide financial statements report on the financial data by function. The District has one basic function: activities that are supported by property taxes. The District provides firefighting and EMS services to the citizens of Cherry Hill, New Jersey.

Fund Financial Statements

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

Governmental Funds

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

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

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

As required by *N.J.S.A. 40A:14:72.1*, the District adopts an annual budget which is approved on the first Tuesday, after the first Monday in November, simultaneously with the general election. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

Notes to Financial Statements

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

DISTRICT WIDE FINANCIAL ANALYSIS

The District's net position is a useful indicator of the District's financial condition. At the end of 2024, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by approximately \$44,778,200. The largest portion of The District's net position is its investment in capital assets. The District uses these assets to provide firefighting and EMS services to the community; consequently, these assets are not available for future spending. The District's investment in capital assets is reported net of related debt and lease liabilities. Since the capital assets are not available to liquidate the debt, other sources must be utilized for the repayment of the debt.

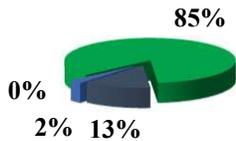
**FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
DISTRICT WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Current and non-current assets and deferred outflows of resources	\$ 43,773,170	\$ 40,376,114	\$ 3,397,056	8.41%
Capital assets, net	<u>16,584,623</u>	<u>15,969,773</u>	<u>614,850</u>	3.85%
Total assets and deferred outflows of resources	60,357,793	56,345,887	4,011,906	7.12%
Total current and non-current liabilities and deferred inflows of resources	<u>(105,136,028)</u>	<u>(104,778,744)</u>	<u>357,284</u>	(0.34%)
Net position	<u><u>\$ (44,778,235)</u></u>	<u><u>\$ (48,432,857)</u></u>	<u><u>\$ 3,654,622</u></u>	7.55%

Analysis of net position

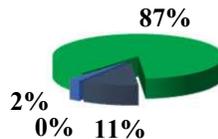
Invested in capital assets, net	\$ 8,158,181	\$ 6,948,308	\$ 1,209,873	17.41%
Restricted for:				
Capital projects	1,392,534	1,255,449	137,085	10.92%
New Jersey unemployment trust fund	61,331	72,039	(10,708)	(14.86%)
Unrestricted	<u>(54,390,281)</u>	<u>(56,708,653)</u>	<u>2,318,372</u>	4.09%
Total net position	<u><u>\$ (44,778,235)</u></u>	<u><u>\$ (48,432,857)</u></u>	<u><u>\$ 3,654,622</u></u>	7.55%

2024 Net Position



- Invested in Capital Assets, Net of Related Debt
- Restricted for Capital
- New Jersey Unemployment Trust Fund
- Unrestricted

2023 Net Position



- Invested in Capital Assets, Net of Related Debt
- Restricted for Capital
- New Jersey Unemployment Trust Fund
- Unrestricted

The deficit net position of the District decreased approximately \$3,654,600 as a result of a current year surplus. In 2024 the capital assets increased by approximately \$614,900 after depreciation expense.

DISTRICT WIDE FINANCIAL ANALYSIS (continued)

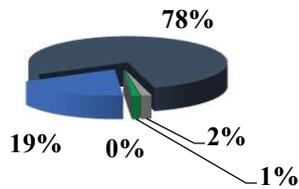
Governmental Activities

The district wide statement of activities shows the cost of the governmental activities program services and the charges for services and grants offsetting these costs. A summary of these activities follows:

**FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
DISTRICT WIDE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

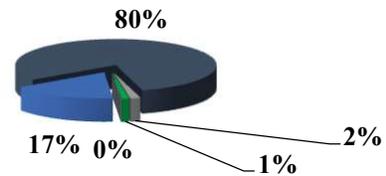
	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Expenses:				
Program expenses:				
Administrative expenses	\$ 5,241,706	\$ 4,735,823	\$ 505,883	10.68%
Cost of operations and maintenance	21,789,371	22,583,919	(794,548)	(3.52%)
Operating appropriations offset with revenues	473,662	454,338	19,324	4.25%
Length of service awards program contribution	309,336	330,774	(21,438)	(6.48%)
Interest expense	18,450	13,950	4,500	32.26%
Total program expenses	<u>27,832,525</u>	<u>28,118,804</u>	<u>(286,279)</u>	<u>(1.02%)</u>

2024 Program Expenses



- Administrative
- Cost of Operations
- Operating Appropriations Offset with Revenues
- Length of Service Awards Program
- Interest Expense

2023 Program Expenses



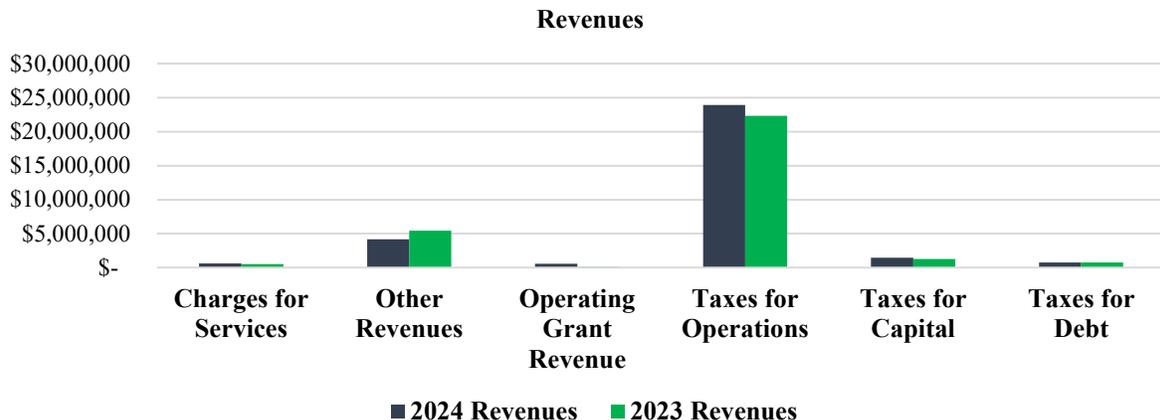
- Administrative
- Cost of Operations
- Operating Appropriations Offset with Revenues
- Length of Service Awards Program
- Interest Expense

The Cost of Operations & Maintenance comprised 78% and 80% of the District’s total expenses in 2024 and 2023, respectively. Administration expenses comprised 19% and 17% of the total expenses in 2024 and 2023, respectively.

DISTRICT WIDE FINANCIAL ANALYSIS (continued)

**FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
DISTRICT WIDE STATEMENT OF ACTIVITIES (continued)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
Program revenues:				
Charges for services	609,326	545,359	63,967	11.73%
Total program revenues	609,326	545,359	63,967	11.73%
Net program expenses	27,223,199	27,573,445	(350,246)	(1.27%)
General revenues:				
Property taxes levied for:				
General purposes	23,904,447	22,349,660	1,554,787	6.96%
Capital purchases	1,450,000	1,300,000	150,000	11.54%
Debt service	756,025	752,650	3,375	0.45%
Total property taxes levied	26,110,472	24,402,310	1,708,162	7.00%
Other revenue	4,190,127	5,452,742	(1,262,615)	(23.16%)
Operating grant revenue	577,222	119,023	458,199	384.97%
Total general revenues	30,877,821	29,974,075	903,746	3.02%
Increase in net position	3,654,622	2,400,630	1,253,992	52.24%
Net position, January 1	(48,432,857)	(43,343,161)	(5,089,696)	(11.74%)
Prior period adjustment	-	(7,490,326)	7,490,326	100.00%
Net position, January 1, restated	(48,432,857)	(50,833,487)	2,400,630	4.72%
Net position, December 31	<u>\$ (44,778,235)</u>	<u>\$ (48,432,857)</u>	<u>\$ 3,654,622</u>	7.55%



Property tax revenue constituted 83% and 80% of the total governmental activities revenues received by the District in 2024 and 2023, respectively.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds

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

As of December 31, 2024, the combined balance of the governmental cash funds of the District was approximately \$16,958,100. This balance is approximately \$2,045,400 higher than last year's combined governmental funds cash balance.

The combined fund balance of the governmental funds of the District was approximately \$13,475,900. Of that total, funds of approximately \$1,392,500 have been restricted for capital, \$134,400 have been restricted for investment in length of service awards program, \$61,300 have been restricted for New Jersey unemployment trust fund, \$1,747,300 have been committed for pension, other post-employment benefits and capital costs, \$2,352,800 have been assigned for subsequent year's expenditures and \$7,787,500 is unassigned

The general fund is the main operating fund of the District. At the end of 2024, the total fund balance of the general fund was approximately \$12,083,300. Of this balance, approximately \$7,787,500 of it was unassigned.

At the end of 2024, the general fund of the District increased by approximately \$426,200. The primary reason for this increased are as follows:

- The Board recognized revenues in excess of expenses of approximately \$426,200.

At the end of 2024, the capital projects fund of the District increased by approximately \$137,100. The primary reason for this increased are as follows:

- The Board recognized revenues in excess of expenses of approximately \$137,100.

Budgetary Highlights

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

- The District recognized actual revenues in excess of budgeted revenues of approximately \$1,773,600 in 2024.
- Overall, the District's expenditures were approximately \$2,816,400 less than originally anticipated in the operating budget for 2024.

CAPITAL ASSETS , NET

As of December 31, 2024, the District had invested in capital assets for government activities of approximately \$16,584,600 (net of accumulated depreciation). Capital assets consist of land, apparatus in progress, land improvements, apparatus, vehicles, various equipment and right of use leased assets.

**FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
CAPITAL ASSETS, NET
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	<u>\$ Increase (Decrease)</u>
Capital assets not being depreciated or amortized:			
Land	\$ 2,930,752	\$ 2,930,752	\$ -
Apparatus in progress	<u>2,643,465</u>	<u>1,490,267</u>	<u>1,153,198</u>
Total capital assets not being depreciated or amortized	5,574,217	4,421,019	1,153,198
Capital assets being depreciated and amortized:	19,079,205	19,065,811	13,394
Land improvements	37,098	37,098	-
Apparatus, vehicles and various equipment	9,897,193	9,696,145	201,048
Right to use leased assets	<u>571,476</u>	<u>975,487</u>	<u>(404,011)</u>
Total capital assets being depreciated and amortized	29,584,972	29,774,541	(189,569)
Less: accumulated depreciation and amortization	<u>(18,574,566)</u>	<u>(18,225,787)</u>	<u>(348,779)</u>
Total capital assets, net	<u>\$ 16,584,623</u>	<u>\$ 15,969,773</u>	<u>\$ 614,850</u>

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

DEBT ADMINISTRATION

As of December 31, 2024, the District had serial bonds payable for government activities of approximately \$8,367,600 of which approximately \$510,600 is due within one year.

Additional information on the District's debt obligations can be found in Note 8 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District voted to approve the budget at the November election. The 2025 adopted budget reflects an increase in the tax levy of \$1,827,733, in which the Board anticipates an increase to the fire tax rate.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township of Cherry Hill Fire District No. 13's finances for all those with an interest in the Fire District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to John C. Foley, Chief Financial Officer, at the Township of Cherry Hill Fire District No. 13, 1100 Marlkrass Road, Cherry Hill, New Jersey 08003, or email at jfoley@chfd.org.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
District Wide Statement of Net Position
December 31, 2024

ASSETS	<u>Governmental Activities</u>
Current unrestricted assets:	
Cash (Note 3)	\$ 16,797,223
Accounts receivable, net (Note 4)	<u>79,244</u>
Total current unrestricted assets	<u>16,876,467</u>
Current restricted assets:	
Cash (Note 3)	<u>160,846</u>
Total current restricted assets	<u>160,846</u>
Non-current assets:	
Investment in length of service awards program:	
at fair value (Note 5)	82,750
at contract value (Note 6)	<u>33,233</u>
Total investment in length of service awards program	<u>115,983</u>
Total non-current assets	<u>17,153,296</u>
Capital assets, net:	
Non-depreciable (Note 7)	5,574,217
Depreciable (Note 7)	10,673,792
Right to use leased assets (Note 7)	<u>336,614</u>
Total capital assets, net	<u>16,584,623</u>
Total assets	<u>33,737,919</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to loss on bond refunding	325,484
Deferred outflows of resources related to pensions (Note 10)	1,622,459
Deferred outflows of resources related to other postemployment benefits (Note 11)	<u>24,671,931</u>
Total deferred outflows of resources	<u>26,619,874</u>
Total assets and deferred outflows of resources	<u><u>\$ 60,357,793</u></u>

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
District Wide Statement of Net Position (continued)
December 31, 2024

LIABILITIES	<u>Governmental Activities</u>
Current liabilities:	
Accounts payable	\$ 3,184,866
Accrued interest	24,717
Pension payable	3,527,304
Accrued payroll and payroll liabilities	393,052
Current portion of bonds payable (Note 8)	510,578
Current portion of right to use leased liability (Note 8)	128,774
Unemployment compensation claims payable (Note 12)	99,515
Total current liabilities	<u>7,868,806</u>
Non-current liabilities:	
Bonds payable, net of current portions (Note 8)	7,857,054
Right to use leased liability, net of current portions (Note 8)	255,520
Compensated absences (Note 8)	7,381,947
Investment in length of service award program payable (Note 9)	134,432
Net pension liability (Note 10)	27,587,787
Net other postemployment benefits liability (Note 11)	35,613,215
Total non-current liabilities	<u>78,829,955</u>
Total liabilities	<u>86,698,761</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions (Note 10)	5,800,901
Deferred inflows of resources related to other postemployment benefits (Note 11)	12,636,366
Total deferred inflows of resources	<u>18,437,267</u>
Total liabilities and deferred inflows of resources	<u>105,136,028</u>
Net position:	
Investment in capital assets, net	8,158,181
Restricted for:	
Capital projects	1,392,534
New Jersey unemployment trust fund (Note 12)	61,331
Unrestricted (Note 19)	(54,390,281)
Total net position	<u>(44,778,235)</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 60,357,793</u></u>

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
District Wide Statement of Activities
For the year ended December 31, 2024

	Operating Appropriations	Charges for Services	Total Governmental Activities
Governmental activities:			
Operating appropriations:			
Administration	\$ 5,241,706	\$ -	\$ 5,241,706
Costs of operations and maintenance	21,789,371	-	21,789,371
Operating appropriations offset with revenues	473,662	609,326	(135,664)
Interest expense	309,336	-	309,336
Length of service awards program contribution	18,450	-	18,450
	<u>\$ 27,832,525</u>	<u>\$ 609,326</u>	<u>27,223,199</u>
Total operating appropriations			
General revenues:			
Miscellaneous revenues			4,190,127
Operating grant revenues			577,222
Amount to be raised by taxation			26,110,472
			<u>30,877,821</u>
Total general revenues			
Change in net position			3,654,622
Net position, January 1, unadjusted			(40,942,531)
Prior period adjustment (Note 20)			(7,490,326)
Net position, January 1, restated			(48,432,857)
Net position, December 31			\$ (44,778,235)

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Governmental Funds
Balance Sheet
December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Current unrestricted assets:					
Cash	\$ 16,797,223	\$ -	\$ -	\$ -	\$ 16,797,223
Accounts receivable, net	52,142	-	-	-	52,142
Intergovernmental accounts receivable:					
Local	27,102	-	-	-	27,102
Other receivables (interfund)	-	-	4,131,232	-	4,131,232
Total current unrestricted assets	<u>16,876,467</u>	<u>-</u>	<u>4,131,232</u>	<u>-</u>	<u>21,007,699</u>
Current restricted assets:					
Cash	160,846	-	-	-	160,846
Total current restricted assets	<u>160,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,846</u>
Non-current assets:					
Investment in length of service awards program:					
at fair value	82,750	-	-	-	82,750
at contract value	33,233	-	-	-	33,233
Total investment in length of service awards program	<u>115,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,983</u>
Total non-current assets	<u>115,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,983</u>
Total assets	<u>\$ 17,153,296</u>	<u>\$ -</u>	<u>\$ 4,131,232</u>	<u>\$ -</u>	<u>\$ 21,284,528</u>
LIABILITIES					
Liabilities					
Accounts payable	\$ 446,168	\$ -	\$ 2,738,698	\$ -	\$ 3,184,866
Accrued payroll and payroll liabilities	393,052	-	-	-	393,052
Other payables (interfund)	4,131,232	-	-	-	4,131,232
Unemployment compensation claims payable	99,515	-	-	-	99,515
Total current liabilities	<u>5,069,967</u>	<u>-</u>	<u>2,738,698</u>	<u>-</u>	<u>7,808,665</u>
FUND BALANCE					
Restricted for:					
Capital	-	-	1,392,534	-	1,392,534
Investment in length of service awards program	134,432	-	-	-	134,432
New Jersey unemployment trust fund	61,331	-	-	-	61,331
Committed for:					
Pension, other-post employment health benefits and capital costs	1,747,338	-	-	-	1,747,338
Assigned for:					
Subsequent year's expenditures	2,352,777	-	-	-	2,352,777
Unassigned, reported in:					
General fund	7,787,451	-	-	-	7,787,451
Total fund balance	<u>12,083,329</u>	<u>-</u>	<u>1,392,534</u>	<u>-</u>	<u>13,475,863</u>
Total liabilities and fund balance	<u>\$ 17,153,296</u>	<u>\$ -</u>	<u>\$ 4,131,232</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the district wide statement of net position (Exhibit A-1) are different because:

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements.

16,584,623

Accrued interest on long-term debt is not recorded in the governmental fund financial statements because the interest is not due and payable in the current period.

(24,717)

Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future reporting periods and, therefore, are not reported in the governmental fund financial statements.

8,182,607

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund financial statements.

(82,996,611)

Total net position - Governmental Activities

\$ (44,778,235)

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended December 31, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Miscellaneous anticipated revenues:					
Interest on investments and deposits	\$ 329,609	\$ -	\$ -	\$ -	\$ 329,609
Appreciation in the value of length of service awards program	16,229	-	-	-	16,229
Other revenues	3,860,518	-	-	-	3,860,518
Total miscellaneous revenues	4,206,356	-	-	-	4,206,356
Operating grant revenues:					
Supplemental fire service act	27,102	-	-	-	27,102
Other grant revenues	41,506	508,614	-	-	550,120
Total operating grant revenues	68,608	508,614	-	-	577,222
Miscellaneous revenues offset with appropriations:					
Uniform fire safety act:					
Annual registration fees	609,326	-	-	-	609,326
Total miscellaneous revenues offset with appropriations	609,326	-	-	-	609,326
Total revenues	4,884,290	508,614	-	-	5,392,904
Amount to be raised by taxation to support budget	23,904,447	-	1,450,000	756,025	26,110,472
Total anticipated revenues	28,788,737	508,614	1,450,000	756,025	31,503,376
Expenditures:					
Operating appropriations:					
Administration:					
Salaries and wages	1,860,420	-	-	-	1,860,420
Fringe benefits	2,876,156	-	-	-	2,876,156
Other expenditures:					
Insurance	167,447	-	-	-	167,447
Membership dues	4,275	-	-	-	4,275
Office expenses	13,252	-	-	-	13,252
Professional services	308,113	-	-	-	308,113
Business travel expenses	2,111	-	-	-	2,111
Community education expenses	9,932	-	-	-	9,932
Total administration	5,241,706	-	-	-	5,241,706
Cost of operations and maintenance:					
Salaries and wages	13,025,993	235,140	-	-	13,261,133
Fringe benefits	5,851,780	-	-	-	5,851,780
Other expenditures:					
Insurance	724,013	-	-	-	724,013
Rental/lease	386,603	-	-	-	386,603
Utilities	314,877	-	-	-	314,877
Fire hydrants	892,720	-	-	-	892,720
Supplies	308,932	97,645	-	-	406,577
EMS division expenses	220,537	-	-	-	220,537
Training expenses (fire)	8,436	175,829	-	-	184,265
Physical inoculations (fire)	22,206	-	-	-	22,206
Maintenance and repairs	746,211	-	-	-	746,211
Contingent expenses	133,172	-	-	-	133,172
Other non-bondable assets	2,206	-	-	-	2,206
Total cost of operations and maintenance	22,637,686	508,614	-	-	23,146,300

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Funds
For the year ended December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Operating appropriations offset with revenues:					
Salaries and wages	457,448	-	-	-	457,448
Other expenditures:					
Other expenses	16,214	-	-	-	16,214
Total operating appropriations offset with revenues	<u>473,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,662</u>
Length of service awards program:					
Administrative fees	700	-	-	-	700
Participant withdrawals	8,832	-	-	-	8,832
Total length of service awards program	<u>9,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,532</u>
Capital appropriations					
Fire pumper	-	-	1,153,197	-	1,153,197
Light duty vehicles	-	-	159,718	-	159,718
Total capital appropriations	<u>-</u>	<u>-</u>	<u>1,312,915</u>	<u>-</u>	<u>1,312,915</u>
Debt service for capital appropriations:					
Principal payments on debt service	-	-	-	445,000	445,000
Interest payments on debt service	-	-	-	311,025	311,025
Total debt service for capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,025</u>	<u>756,025</u>
Total operating appropriations	<u>28,362,586</u>	<u>508,614</u>	<u>1,312,915</u>	<u>756,025</u>	<u>30,940,140</u>
Excess (deficiency) of revenues over (under) operating appropriations	426,151	-	137,085	-	563,236
Fund balance, January 1	11,657,178	-	1,255,449	-	12,912,627
Fund balance, December 31	<u>\$ 12,083,329</u>	<u>\$ -</u>	<u>\$ 1,392,534</u>	<u>\$ -</u>	<u>\$ 13,475,863</u>

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Reconciliation of Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance
to the District Wide Statement of Activities
December 31, 2024

Total net changes in Fund Balance - Governmental Funds (Exhibit B-2) \$ 563,236

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

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

Length of service awards program contribution	(18,450)	
Appreciation in the value of length of service awards program	(16,229)	
Administrative fees	700	
Participant withdrawals	8,832	
	8,832	(25,147)

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

Capital outlay - General Fund	214,442	
Capital outlay - Capital Projects Fund	1,153,198	
Amortization expense	(264,849)	
Depreciation expense	(548,555)	
	554,236	554,236

Accrued interest on long-term debt is not reported as an expenditure in the governmental fund financial statements. However, the adjustment for accrued interest is recognized as an expense in the district wide statement of activities.

Prior year	26,406	
Current year	(24,717)	
	1,689	1,689

Repayment of lease liabilities is reported as an expenditure in the governmental fund financial statements to the extent it is due and payable in the current period. In the district wide statement of net position, the repayment reduces the long-term lease liability, and the related interest portion is reported as an expense in the district wide statement of activities.

251,760

Repayment of debt service principal is reported as an expenditure in the governmental fund financial statements. However, in the district wide statement of net position, the repayment reduces long-term liabilities and is not reported as an expense in the district wide statement of activities.

445,000

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Reconciliation of Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance
to the District Wide Statement of Activities
December 31, 2024

Governmental funds recognize premiums, discounts, and similar debt-related items at the time the debt is issued. In contrast, in the district wide statement of activities, these amounts are allocated and expensed over the life of the associated debt using a systematic and rational method.

	Prior year	(49,384)	
	Current year	<u>42,851</u>	
			(6,533)

In the district wide statement of activities, certain operating expenses, such as compensated absences (e.g., sick leave), are measured by the amounts earned during the year. In the governmental fund financial statements, however, expenditures for these items are recognized to the extent that they are paid with available financial resources—that is, the amounts actually paid during the year.

660,954

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

	Pension benefit (or expense)	<u>3,529,684</u>	
			3,529,684

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

	Other postemployment benefit (or expense)	<u>(2,320,257)</u>	
			<u>(2,320,257)</u>

		<u>\$ 3,654,622</u>	
Change in net position - Governmental Activities		<u><u>\$ 3,654,622</u></u>	

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements

NOTE 1: GENERAL INFORMATION

Description of Reporting Entity

Fire District No. 13 of the Township of Cherry Hill (hereafter referred to as the District) is a political subdivision of the Township of Cherry Hill, County of Camden, State of New Jersey. A board of five commissioners (the Board) oversees all of the operations of the District. The length of each commissioner's term is three years with the annual election held on the second Tuesday, after the first Monday of every November.

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

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

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

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

District Officials

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

Officials:	Term Expires:
November	
Rosy Arroyo	2026
Ryan Doran	2025
William Kelly	2024
John Mulholland	2026
Sara Lipsett	2025

Accounting Records

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

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 1: GENERAL INFORMATION (continued)

Component Units

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

Fund Accounting

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Governmental Funds:

General Fund

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

Special Revenue Fund

The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund

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

Debt Service Fund

The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

District Wide and Fund Financial Statements

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

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

District Wide and Fund Financial Statements (continued)

Fund Financial Statements

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

Basis of Accounting

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

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

Budgets and Budgetary Accounting

The District must adopt an annual budget in accordance with State of New Jersey Admin Code § 5:31-2.4.

The board of fire commissioners must introduce and adopt the annual budget no later than sixty days prior to the annual election. The board of fire commissioners of the District, at a special meeting called by the board of fire commissioners of the District, may, by resolution adopted by a vote of not less than two-thirds (2/3) of the full membership thereof, adopt the annual budget pursuant to *N.J.S.A. 40A:14-84* and whose tax levies do not exceed the permissible property tax levy increase as determined pursuant to section 10 of P.L. 2007, c. 62 (*N.J.S.A. 40A:4-45.45*). If the amount of money to be raised by taxation, increases greater than two (2) percent from previous years, the District's budget must appear on the ballot for the annual election for approval of the legal voters, pursuant to section 10 of P.L.2007, c.62 (*C.40A:4-45.45*). Prior to such meeting, the resolution, or a summary thereof, shall be published together with notice of the time and place of the meeting, the opportunity of the public to be heard at the meeting, and the availability of copies of the resolution to the members of the general public of the district from the date following such publication up to and including the date of the meeting. Amendments may be made to the District budget in accordance with *N.J.S.A 40A: 14-78.3*. The budget may be amended subsequent to its final adoption and approval for additional items of revenue with offsetting appropriations in accordance with *N.J.S.A 40A: 14-78.5*.

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances

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

Cash and Cash Equivalents

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

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

Accounts Receivable

Accounts receivables represent amounts dues associated with the District's fire prevention bureau, emergency services billings, and intergovernmental grants and revenues awards. Accounts receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible (see Note 4: *Accounts Receivables*).

Prepaid Assets

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

Investments

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets, Net

Capital assets are reported in the district wide financial statements. Non-leased capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District has set capitalization thresholds for reporting capital assets of \$2,000. Depreciation is recorded on the straight-line method (with half year depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

<u>Description:</u>	<u>Useful Lives</u>
Land improvements	10 – 15 Years
Buildings and improvements	15 – 40 Years
Apparatus and vehicles	5 – 20 Years
Fire equipment	7 – 15 Years
EMS equipment	5 – 15 Years
Communications equipment	8 – 10 Years
Hazardous materials equipment	3 – 20 Years
Heavy rescue equipment	10 years
Tech rescue equipment	5 – 7 Years
SCBA equipment	10 – 25 Years
Maintenance equipment	10 Years
Computer equipment	7 Years
Computer / Data 911	7 Years

The District follows GASB Statement No. 87: *Leases*, for recognizing right to use leased assets. Right to use leased assets represent the District’s right to use an underlying asset for the lease term and are recorded at the present value for future lease payments at the commencement of the lease. Right to use leased assets are amortized over the shorter of the lease term or the estimated useful life of the asset. Short term leases (12 months or less) are expensed as incurred.

Debt Limitation

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

Inventory, Materials and Supplies

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

Other Receivables and Payables

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Compensated absences represent leave time earned by employees that is expected to be paid out upon separation or use in future periods. In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for compensated absences when earned, rather than when paid. The liability for compensated absences is reported in the governmental activities on the district wide financial statements. The entire liability is classified as non-current, as the portion expected to be paid within one year is not considered material in relation to total fund liabilities and, therefore, is not presented separately from the long-term portion.

Deferred Outflows and Deferred Inflows of Resources

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

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

Net Pension and Other Postemployment Benefits Liability

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires participating employers, including the District, in the State of New Jersey Public Employee's Retirement System (PERS) plan and the State of New Jersey Police and Fireman's Retirement System (PFRS) plan to recognize their proportionate share of the collective total pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 10: *Pension Obligations* for more information about the plan.

GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* requires participating employers in the New Jersey State Health Benefit Local Government Retired Employees (OPEB Plan) plan to recognize their proportionate share of the collective total OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 11: *Other postemployment Benefits Other Than Pension* for more information about the plan.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the district wide statement of net position.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fire District Taxes

Upon proper certification to the assessor of the municipality in which the District is located, the assessor shall assess the amount of taxes to be realized in support of the District's budget in the same manner as all other municipal taxes. The collector or treasurer of the municipality shall then pay over to the treasurer or custodian of funds of the District the taxes assessed over twelve monthly installments on the 28th day of every month.

Revenues and Expenditures – Governmental Funds

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

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

Fund Equity

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making District and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Commissioners.
- Unassigned – includes balance within the General Fund which has not been classified within the aforementioned categories and negative fund balances in other governmental funds.

Net Position

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Impact of Recently Issued Accounting Pronouncements

Accounting Pronouncements Adopted in Current Year

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

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

Management has determined that the implementation of these statements had a significant impact on the District’s financial statements. As a result, a prior period restatement was required to properly reflect the changes in accounting and financial reporting in accordance with the applicable standards, see Note 20: *Prior Period Adjustment* for additional information.

Accounting Pronouncements Effective in Future Reporting Periods

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

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

Subsequent Events

The District has evaluated subsequent events occurring after December 31, 2024 through the date of January 19, 2026, which is the date the financial statements were available to be issued.

NOTE 3: CASH

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

Type:	Carrying Value:
Deposits:	
Demand deposits	\$ 16,958,069
Total deposits	\$ 16,958,069

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 3: CASH (continued)

Reconciliation to the Governmental Funds:

General Fund:	
Current unrestricted assets:	
Cash	\$ 16,797,223
Current restricted assets:	
Cash	160,846
Total	\$ 16,958,069

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, the District's bank balance of \$17,172,678 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Collateralized in the District's name under GUDPA	16,761,833
Uninsured	160,846
Total	\$ 17,172,678

Restricted Cash and Cash Equivalents

On December 31, 2024, the district wide financial statements reported restricted cash and cash equivalents in the amount of \$160,846. This amount represents cash and cash equivalents held on deposit for the New Jersey unemployment claims. See Note 12: *Risk Management* for additional information.

NOTE 4: ACCOUNTS RECEIVABLE

As of December 31, 2024, accounts receivables and the related allowance for uncollectible accounts consisted of the following:

	General Fund	Total Governmental Funds
Emergency medical services (EMS) billings	\$ 139,045	\$ 139,045
Due from Cherry Hill Township	27,102	27,102
Less: Allowance for uncollectible accounts	(86,903)	(86,903)
Total	\$ 79,244	\$ 79,244

NOTE 5: INVESTMENTS HELD AT FAIR VALUE

Custodial Credit Risk

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 5: INVESTMENTS HELD AT FAIR VALUE (continued)

Investment Interest Rate Risk

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

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

Fair Value Measurement

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

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

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

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 5: INVESTMENTS HELD AT FAIR VALUE (continued)

Fair Value Measurement (continued)

Subsequent to initial recognition, the District may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value. The following methods and assumptions were used by the District in estimating the fair value of its financial instruments:

Registered Investment Companies – Investments in registered investment companies consist of shares of mutual funds that are valued at quoted market prices which represent the NAV of shares held by the LOSAP Plan at year-end.

Money Market Fund – Valued at the quoted NAV of shares held by the LOSAP Plan at year-end.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the LOSAP Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<i>Registered investment companies</i>	\$ 82,550	\$ -	\$ -	\$ 82,550
<i>Money Market Funds</i>	200			200
Total investments held at fair value	<u>\$ 82,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,750</u>

NOTE 6: INVESTMENTS HELD AT CONTRACT VALUE

The District held a fully benefit-responsive investment contract with Lincoln Financial (Lincoln) totaling \$33,233 as of December 31, 2024. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the District is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP plan. The District's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP plan. For this reason, such contracts are referred to as "evergreen" contracts and do not define a maturity date. No events are probable of occurring might limit the ability of the LOSAP plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value (see Note 2: *Investments*).

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 7: CAPITAL ASSETS, NET

The District's capital assets and right to use leased assets, are reported in accordance with New Jersey Statutes Annotated (N.J.S.A.) 40A:14-84 through 40A:14-87 and GASB Statement No. 87: *Leases*.

Capital Assets

Pursuant to *N.J.S.A. 40A:14-84*, non-lease related capital purchases, including fire apparatus and equipment, require voter approval unless funded through available budget appropriations. In accordance with *N.J.S.A. 40A:14-85*, fire districts may finance capital acquisitions through bond issuance, lease-purchase agreements, or other long-term obligations, subject to voter approval or governing body resolution. Pursuant to *N.J.S.A. 40A:14-87*, proceeds from the sale of capital assets must be restricted for future capital acquisitions unless otherwise authorized. The District reviews capital assets annually for impairment, disposal, or transfer, with significant changes reflected in the financial statements.

Right to Use Leased Assets

In compliance with GASB Statement No. 87: *Leases* the District recognizes right to use leased assets for all lease agreements exceeding 12 months.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments / Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated or amortized:				
Land	\$ 2,930,752	\$ -	\$ -	\$ 2,930,752
Apparatus in Progress	1,490,267	1,153,198	-	2,643,465
Subtotal capital assets not being depreciated or amortized	<u>4,421,019</u>	<u>1,153,198</u>	<u>-</u>	<u>5,574,217</u>
Capital assets being depreciated and amortized:				
Land Improvements	37,098	-	-	37,098
Buildings and Improvements	19,065,811	13,394	-	19,079,205
Apparatus and Vehicles	7,202,484	185,650	-	7,388,134
Fire Equipment	199,655	-	-	199,655
EMS Equipment	263,535	-	-	263,535
Communications Equipment	61,270	-	-	61,270
Hazardous Materials Equipment	310,182	-	-	310,182
Heavy Rescue Equipment	359,569	-	-	359,569
Tech Rescue Equipment	46,394	9,848	-	56,242
SCBA Equipment	1,052,489	-	-	1,052,489
Maintenance Equipment	19,400	5,550	-	24,950
Computer Equipment	10,649	-	-	10,649
Computer / Data 911	170,518	-	-	170,518
Right to use leased assets	975,487	60,614	(464,625)	571,476
Subtotal capital assets being depreciated and amortized	<u>29,774,541</u>	<u>275,056</u>	<u>(464,625)</u>	<u>29,584,972</u>
Totals at historical cost	34,195,560	1,428,254	(464,625)	35,159,189
Less: accumulated depreciation and amortization:				
Land Improvements	(33,578)	(352)	-	(33,930)
Buildings and Improvements	(8,763,873)	(407,587)	-	(9,171,460)
Apparatus and Vehicles	(6,961,788)	(73,057)	-	(7,034,845)
Fire Equipment	(141,077)	(14,287)	-	(155,364)
EMS Equipment	(260,319)	(357)	-	(260,676)
Communications Equipment	(61,270)	-	-	(61,270)
Hazardous Materials Equipment	(278,404)	(6,678)	-	(285,082)
Heavy Rescue Equipment	(260,855)	(13,567)	-	(274,422)
Tech Rescue Equipment	(46,394)	(1,641)	-	(48,035)
SCBA Equipment	(790,656)	(25,769)	-	(816,425)
Maintenance Equipment	(19,400)	(416)	-	(19,816)
Computer Equipment	(10,649)	-	-	(10,649)
Computer / Data 911	(162,886)	(4,844)	-	(167,730)
Right to use leased assets	(434,638)	(264,849)	464,625	(234,862)
Total accumulated depreciation and amortization	<u>(18,225,787)</u>	<u>(813,404)</u>	<u>464,625</u>	<u>(18,574,566)</u>
Total capital assets, net	<u>\$ 15,969,773</u>	<u>\$ 614,850</u>	<u>\$ -</u>	<u>\$ 16,584,623</u>

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 8: NON-CURRENT LIABILITIES

During the year ended December 31, 2024, the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Accrued/ increases</u>	<u>(Retired)/ (decreases)</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds payable	\$ 8,530,000	\$ -	\$ (445,000)	\$ 8,085,000	\$ 470,000
Unamortized loan premium	<u>325,714</u>	<u>-</u>	<u>(43,082)</u>	<u>282,632</u>	<u>40,578</u>
	8,855,714	-	(488,082)	8,367,632	510,578
Right to use lease liability	575,440	60,614	(251,760)	384,294	128,774
Compensated absences	8,042,901	-	(660,954)	7,381,947	-
Investment in length of service awards program payable	109,285	34,679	(9,532)	134,432	-
Net pension liability	32,637,685	-	(5,049,898)	27,587,787	-
Net other postemployment benefits liability	<u>27,143,228</u>	<u>8,469,987</u>	<u>-</u>	<u>35,613,215</u>	<u>-</u>
Total	<u>\$ 77,364,253</u>	<u>\$ 8,565,280</u>	<u>\$ (6,460,226)</u>	<u>\$ 79,469,307</u>	<u>\$ 639,352</u>

Serial Bonds Payable

On November 4, 2015, the District issued \$10,965,000.00 of general obligation refunding bonds at interest rates ranging from 2.000% to 5.000% to advance refund \$10,720,000.00 of aggregate principal amounts maturing in the years 2018 through 2037 of the general obligation bonds, dated August 1, 2007. The final maturity of these bonds is June 1, 2037. Principal and interest due on the general obligation bonds outstanding is as follows:

For the year ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 470,000	\$ 288,150	\$ 758,150
2026	495,000	264,025	759,025
2027	525,000	238,525	763,525
2028	550,000	211,650	761,650
2029	580,000	189,200	769,200
2030 - 2034	3,220,000	663,625	3,883,625
2035 - 2037	<u>2,245,000</u>	<u>124,869</u>	<u>2,369,869</u>
Total	8,085,000	<u>\$ 1,980,044</u>	<u>\$ 10,065,044</u>
Add: total unamortized bond premium	<u>282,632</u>		
Total	<u>\$ 8,367,632</u>		

Compensated Absences

The District previously followed GASB Statement No. 16, *Accounting for Compensated Absences*, which was originally adopted in 1995. As of December 31, 2024, the District has implemented the provisions of GASB Statement 101, *Compensated Absences*. Under this standard, a liability is recognized for compensated absences when the leave is earned by employees and is attributable to services already rendered, regardless of whether the leave vests or accumulates. This includes all leave expected to be used and compensated in the future. The liability is measured using current pay rates in effect as of the financial statement date, or the pay rates expected to be applied at the time of leave usage, if applicable. Additionally, the liability includes salary-related payments directly associated with the leave, such as the employer's share of Social Security and Medicare contributions. As of December 31, 2024, the District recognized \$7,381,947 of non-current obligations reported in the governmental activities, district wide financial statements.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 8: NON-CURRENT LIABILITIES (continued)

Lease Liability

The District has entered into agreements to lease District property and ambulances. These lease agreements qualify as other than short-term leases under GASB Statement No. 87: *Leases* and, therefore, have been recorded at the present value of the future minimum lease payments as the date of its inception. The required payments range from \$2,000 to \$42,249. The lease liability is measured at a discount rates ranging from 3.007% to 8.773%. The following is a schedule of the remaining future minimum lease payments under these lease obligations and the present value of the net minimum lease payments at December 31,:

	Principal	Interest	Total
2025	\$ 128,774	\$ 78,700	\$ 207,474
2026	143,367	49,632	192,999
2027	112,153	14,594	126,747
Total	\$ 384,294	\$ 142,926	\$ 527,220

Length of Service Awards Program

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

Net Pension Liability

For details on the net pension liability, see Note 10: *Pension Obligations*. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Other Postemployment Benefits Liability

For details on the other postemployment benefits liability, see Note 11: *Postemployment Benefits Other Than Pensions*. The District's contribution into the postemployment benefits plan is budgeted and paid on an annual basis.

NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description

The District's length of service awards program (the Plan), which is a defined contribution plan reported in the Fire District's general fund, was created by a District Resolution adopted on December 1, 2016 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions -an amendment of GASB Statement No. 27*.

The voters of the District approved the adoption of the Plan at the annual election held on February 18, 2017, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2018. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company (Plan Administrator), a State of New Jersey approved length of service awards program provider. The Fire District's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM (continued)

The tax deferred income benefits for emergency service volunteers of the District, consisting of Cherry Hill Fire Police and Deer Park Fire Company, come from contributions made solely by the governing body of the District, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments

The District may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the District, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the District's governing body, provided, however, that any amendment required by the IRS, may be adopted by the District's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the District shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The District may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the District shall notify all participants in writing prior to making any amendment to the Plan.

Contributions

If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (*N.J.S.A. 40A:14-185(f)*). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The District elected to contribute between \$300 and \$1,150 for the year ended December 31, 2024, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The District has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator. For the year ended December 31, 2024, the District's Plan expense was \$18,450.

Participant Accounts

Each participant's account is credited with the District's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The District has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the District to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the District. These funds, however, are not available for funding the operations of the District.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 9: LENGTH OF SERVICE AWARDS PROGRAM (continued)

Vesting

The District, in accordance with *N.J.S.A. 40A:14-188* and *N.J.A.C. 5:30-11.63* may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits

Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. There were \$8,832 of payouts of benefits during the year ended December 31, 2024.

Forfeited Accounts

For the year ended December 31, 2024, no accounts were forfeited.

Investments

The investments in the length of service awards program are recorded at fair value and contract value. The District has classified these investments as restricted in the financial statements (see Note 2: *Investments*).

Plan Information

Additional information about the District's length of service awards program can be obtained by contacting the Plan Administrator.

NOTE 10: PENSION OBLIGATIONS

Public Employees' Retirement System (PERS)

Plan Description

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Public Employees' Retirement System (PERS) (continued)

Plan Description (continued)

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

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

Basis of Presentation

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

Contributions

The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the District's contractually required contribution to PERS plan was \$497,791.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Public Employees' Retirement System (PERS) (continued)

Components of Net Pension Liability

At December 31, 2024, the District's proportionate share of the PERS net pension liability was \$4,970,901. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The District's proportion measured as of June 30, 2024, was 0.03658% which was a decrease of 0.00313% from its proportion measured as of June 30, 2023.

	Balance December 31,	
	2024	2023
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 161,860	\$ 233,679
Deferred Inflows of Resources	769,999	531,572
Net Pension Liability	4,970,901	5,752,786
District's portion of the plan's total Net Pension Liability	0.03658%	0.03972%

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

On December 31, 2024, the District's proportionate share of the PERS (benefit) expense, calculated by the plan as of June 30, 2024, measurement date is \$26,152. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u></u>	<u></u>
Differences between expected and actual experience	\$ 99,576	\$ 13,234
Changes of assumptions	6,175	56,557
Net difference between projected and actual earnings on pension plan investments	-	230,487
Changes in proportion and differences between the District's contributions and proportion share of contributions	56,109	469,721
	<u>\$ 161,860</u>	<u>\$ 769,999</u>

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Public Employees' Retirement System (PERS) (continued)

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

Year Ending December 31,	<u>Amount</u>
2025	\$ (293,774)
2026	80,584
2027	(176,675)
2028	(136,961)
2029	<u>(81,313)</u>
Total	<u>\$ (608,139)</u>

Special Funding Situation

Under *N.J.S.A. 43:15A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of June 30, 2024, measurement date was \$16,026.

Actuarial Assumptions

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75% - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions (continued)

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

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018, to June 30, 2021.

Long-Term Expected Rate of Return

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Public Employees' Retirement System (PERS) (continued)

Discount Rate

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

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

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

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,660,704	\$ 4,970,901	\$ 3,610,339

Police and Firemen's Retirement System (PFRS)

Plan Description

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

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

Plan Description

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

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

Plan Description (continued)

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

Basis of Presentation

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

Contributions

The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the District's contractually required contributions to PFRS plan was \$3,029,513.

Components of Net Pension Liability

At December 31, 2024 the District's proportionate share of the PFRS net pension liability was \$22,616,886. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The District's proportion measured as of June 30, 2024, was .21902%, which was a decrease of .024313% from its proportion measured as of June 30, 2023.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

Special Funding Situation

Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the District is \$4,458,871 as of December 31, 2024. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2034, to the measurement date of June 30, 2024. The State’s proportion of the net pension liability associated with the District was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2024, was 0.21902%, which was a decrease of 0.02431%, from its proportion measured as of June 30, 2023, which is the same proportion as the District’s. At December 31, 2024, the District’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

District’s proportional share of net pension liability	\$ 22,616,886
State of New Jersey’s proportionate share of net pension liability associated with the District	4,458,871
	\$ 27,075,757

At December 31, 2024, the State’s proportionate share of the PFRS expense, associated with the District, calculated by the plan as of the June 30, 2024, measurement date was \$512,957.

Actuarial Assumptions

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	All Future Years
	3.25% - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

Actuarial Assumptions (continued)

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2024, are summarized in the following table:

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 10: PENSION OBLIGATIONS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

Discount Rate

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

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

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

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the Net Pension Liability	\$ 32,314,489	\$ 22,616,886	\$ 14,540,900
State’s proportionate share of the Net Pension Liability Associated with the District	6,370,733	4,458,871	2,866,707
	\$ 38,685,231	\$ 27,075,757	\$ 17,407,607

Related Party Investments

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

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

General Information about the OPEB Plan (continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Basis of Presentation

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

Allocation Methodology

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology (continued)

\$4,833,833,875 and \$12,914,432,673, respectively. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s nonspecial funding situation during the measurement period July 1, 2023, through June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

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

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

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

Salary Increases*:	
PERS	
Rate for all future years	2.75% to 6.55%
PFRS:	
Rate of all future years	3.25% to 16.25%

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

Pre-retirement Healthy Mortality

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

Post-retirement Healthy Mortality

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability (continued)

Disabled Retiree Mortality

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

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

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

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

OPEB Obligation and OPEB (Benefit) Expense

The District's proportionate share of the total Other Postemployment Benefits obligation was \$35,613,215. The OPEB obligation was measured as of June 30, 2024, and the total OPEB obligation used to calculate the OPEB obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB obligation attributable to the District was 0.19890%, which was an increase of 0.01802% from its proportion measured as of June 30, 2023. For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$3,239,681 for the State's proportionate share of the OPEB (benefit) expense attributable to the District. This OPEB (benefit) expense was based on the OPEB plan June 30, 2024, measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% decreasing to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

	<u>1 % Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State's proportionate share of the Net OPEB Liability associated with the District	\$ 30,121,511	\$ 35,613,215	\$ 42,674,003
State's Total Nonemployer OPEB Liability	\$ 15,144,352,142	\$ 17,905,445,505	\$ 21,455,435,620

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	<u>1 % Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
State's proportionate share of the Net OPEB Liability associated with the District	\$ 41,485,557	\$ 35,613,215	\$ 30,909,991
State's Total Nonemployer OPEB Liability	\$ 20,857,914,273	\$ 17,905,445,505	\$ 15,540,780,410

Additional Information

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

	<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>
	June 30, 2024	June 30, 2023
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 24,671,931	\$ 21,794,420
Deferred Inflows of Resources	12,636,366	15,908,585
Net OPEB Liability	35,613,215	27,143,228
District's portion of the plan's total Net Pension Liability	0.19890%	0.18088%

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Deferred Outflows/Inflows of Resources

At December 31, 2024, the District's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2024 measurement date is \$24,671,931 and \$12,636,366, respectively. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,803,558	\$ 6,034,104
Changes of assumptions	5,953,855	5,911,569
Net difference between projected and actual earnings on pension plan investments	-	16,121
Changes in proportion	16,914,518	674,572
	\$ 24,671,931	\$ 12,636,366

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

Year Ending December 31,	Amount
2025	\$ 84,449
2026	1,357,527
2027	2,154,597
2028	1,438,216
2029	1,758,214
Thereafter	5,242,562
Total	\$ 12,035,565

Changes in Proportion

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

Plan Membership

At June 30, 2024, the Program membership consisted of the following:

Active plan members	60,691
Retirees currently receiving benefits	28,899
Total plan members	89,590

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 is as follows:

Service cost	\$	545,086,159
Interest on Total OPEB Liability		558,448,470
Changes in benefit terms		107,670,542
Differences in expected and actual experience		408,491,660
Changes in assumptions		1,735,990,164
Contributions from the employer		(399,436,504)
Contributions from non-employer contributing entities		(62,827,411)
Net investment income		(1,636,336)
Administrative expenses		11,119,284
Net changes		<u>(2,898,906,028)</u>
 Total OPEB Liability (Beginning)		 <u>15,006,539,477</u>
 Total OPEB Liability (Ending)		 <u>\$ 17,905,445,505</u>

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB (benefit) expense allocated to the State under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data considers active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits. At December 31, 2024, the District's and the State's proportionate share of the OPEB liability is \$2,847,132.

At December 31, 2024 the State's proportionate share of the OPEB (benefit) expense, associated with the District, calculated by the plan as of the June 30, 2024, measurement date was \$(275,839).

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 12: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance

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

For the year ended December 31,	Contributions	Interest Earned	Amount Reimbursed	Ending Balance	
				Unemployment Liability	Restricted for: Unemployment Reserve
2024	\$ 14,193	\$ 3,484	\$ -	\$ 99,515	\$ 61,331
2023	19,027	3,301	-	85,323	72,039
2022	17,579	1,505	-	66,296	87,765

Joint Insurance Fund

The District is a member of the Camden County Municipal Insurance Joint Insurance Fund (the Fund). The Fund provides its members with the following coverage:

- Workers' Compensation including Employer's Liability
- General Liability including Police Professional and Employee Benefit Liability
- Automobile Liability
- Blanket Crime including Public Employee Dishonesty
- Property Including Boiler and Machinery
- Public Officials and Employment Practices Liability
- Volunteer Directors and Officers Liability
- Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

- Excess Workers' Compensation
- Excess General Liability
- Non-Owned Aircraft Liability
- Excess Auto Liability
- Fidelity and Performance (Blanket)
- Excess Property including Boiler and Machinery
- Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 12: RISK MANAGEMENT (continued)

Joint Insurance Fund (continued)

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim aim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2021, which can be obtained from:

Camden County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

NOTE 13: DEFERRED COMPENSATION

The District offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the District or its creditors. Since the District does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the District's financial statements.

NOTE 14: CONCENTRATIONS

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

NOTE 15: CONTINGENCIES

Grantor Agencies

Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

NOTE 16: FUNDING

The activities of the District are primarily funded by the striking of the fire tax on the property owners of the District, as provided for by the state statute. For the year ended December 31, 2024, the fire tax rate on the District was approximately \$.326 per \$100 of assessed valuation.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 16: FUNDING (continued)

The tax revenue is supplemented by income earned on surplus funds invested in a money market fund and investments during the year. The District also participates in the Supplemental Fire Services Program and received a basic entitlement grant of approximately \$27,102.

NOTE 17: OTHER RECEIVABLES AND PAYABLES

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

Fund	Interfund receivable	Interfund payable
General	\$ -	\$ 4,131,232
Capital Projects	4,131,232	-
Special Revenue	-	-
Total	\$ 4,131,232	\$ 4,131,232

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

NOTE 18: FUND BALANCE

General Fund – Of the \$12,083,328 General Fund, fund balance at December 31, 2024, \$134,432 is restricted for length of service award program; \$61,331 is restricted for New Jersey unemployment fund; \$1,747,338 is committed for pension, other postemployment health benefits and capital costs; \$2,352,777 is assigned for subsequent year’s expenditures and \$7,787,450 is unassigned.

Capital Projects Fund – Of the \$1,392,534 Capital Projects Fund, fund balance at December 31, 2024, the entire balance is restricted for capital.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation.

NOTE 19: DEFICIT UNRESTRICTED NET POSITION

At December 31, 2024, the District had a deficit net position of \$54,390,281. The deficit results primarily from the recognition of long-term liabilities in accordance with GASB requirements, including the net pension liability, and net OPEB (other postemployment benefits) liability, which are not funded on a current-year budgetary basis. These items are required to be reported in the district wide financial statements, which are prepared on the accrual basis of accounting. The District continues to meet its current operating obligations through the annual property tax levy and other budgeted revenues. The deficit net position does not indicate a lack of ability to meet current financial commitments but reflects the statutory and accounting differences between the District’s budgetary practices (which focus on current financial resources) and the full accrual reporting required under GAAP and GASB.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Financial Statements (continued)

NOTE 20: PRIOR PERIOD ADJUSTMENT

Effective for the fiscal year ended December 31, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This standard establishes updated recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for leave that is attributable to services already rendered and expected to be used, regardless of whether the leave vests or accumulates.

As a result of implementing this standard, the District identified differences in the measurement of compensated absences compared to the previously applied guidance under GASB Statement No. 16. Specifically, GASB 101 requires recognition of certain types of leave that were previously excluded and a revised method of measurement based on expected usage and applicable pay rates.

To reflect the implementation of GASB 101, the District recorded a prior period adjustment to beginning net position as of January 1, 2024. The adjustment resulted in a decrease of \$7,490,326 to beginning net position in the district wide financial statements, representing the cumulative effect of the change in accounting principle.

The restated beginning net position as of January 1, 2024, is as follows:

Description:	Governmental Activities
Net position, as previously reported	\$ (40,942,531)
Prior period adjustment – Implementation of GASB Statement 101	<u>(7,490,326)</u>
Net position, as restated	<u>\$ (48,432,857)</u>

This adjustment had no impact on fund level financial statements, as compensated absences are reported only in the district wide financial statements.

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Budgetary Comparison Schedule
For the year ended December 31, 2024

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenues:				
Miscellaneous anticipated revenues:				
Investment income	\$ 42,400	\$ 42,400	\$ 329,609	\$ 287,209
Other revenues	2,522,100	2,522,100	3,860,518	1,338,418
Total miscellaneous revenues	2,564,500	2,564,500	4,190,127	1,625,627
Operating grant revenues:				
Supplemental fire service act	27,102	27,102	27,102	-
Other grant revenues	38,000	38,000	41,506	3,506
Total operating grant revenues	65,102	65,102	68,608	3,506
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues:				
Annual registration fee	464,837	464,837	609,326	144,489
Total miscellaneous revenues offset with appropriations	464,837	464,837	609,326	144,489
Total revenues	3,094,439	3,094,439	4,868,061	1,773,622
Amount to be raised by taxation to support budget	26,110,472	26,110,472	26,110,472	-
Total anticipated revenues	29,204,911	29,204,911	30,978,533	1,773,622
Expenditures:				
Operating appropriations:				
Administration:				
Salaries and wages	1,936,256	1,987,256	1,860,420	126,836
Fringe benefits	2,810,819	2,887,819	2,876,156	11,663
Other expenditures:				
Insurance	252,258	252,258	167,447	84,811
Membership dues	4,500	4,500	4,275	225
Office expenses	30,000	30,000	13,252	16,748
Professional services	344,530	370,530	308,113	62,417
Business travel expenses	10,000	10,000	2,111	7,889
Community education expenses	19,010	19,010	9,932	9,078
Total administration	5,407,373	5,561,373	5,241,706	319,667
Cost of operations and maintenance:				
Salaries and wages	13,625,399	13,625,399	13,025,993	599,406
Fringe benefits	6,558,579	6,558,579	5,851,780	706,799
Other expenditures:				
Insurance	588,604	728,804	724,013	4,791
Rental/lease	390,658	394,658	386,603	8,055
Utilities	327,050	341,050	314,877	26,173
Fire hydrants	693,580	892,980	892,720	260
Supplies	545,800	660,600	308,932	351,668
EMS division expenses	166,430	224,430	220,537	3,893
Training expenses (fire)	172,200	196,200	8,436	187,764
Physical inoculations (fire)	124,922	182,922	22,206	160,716
Maintenance and repairs	905,000	949,000	746,211	202,789
Contingent expenses	200,000	200,000	133,172	66,828
Other non-bondable assets	45,000	45,000	2,206	42,794
Total cost of operations and maintenance	24,343,222	24,999,622	22,637,686	2,361,936

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Budgetary Comparison Schedule (continued)
For the year ended December 31, 2024

	Original Budget	Modified Budget	Actual Budgetary Basis	Variance
Operating appropriations offset with revenues:				
Salaries and wages	457,836	457,836	457,448	388
Other expenditures:				
Other expenses	7,000	7,000	16,214	(9,214)
Total operating appropriations offset with revenues	464,836	464,836	473,662	(8,826)
Length of service awards program	25,000	25,000	18,450	6,550
Capital appropriations:				
Fire pumper	1,250,000	1,250,000	1,153,197	96,803
Light duty vehicles	200,000	200,000	159,718	40,282
Total capital appropriations	1,450,000	1,450,000	1,312,915	137,085
Debt service for capital appropriations:				
Principal payments on debt service	445,000	445,000	445,000	-
Interest payments on debt service	311,025	311,025	311,025	-
Total debt service for capital appropriations	756,025	756,025	756,025	-
Total operating appropriations	32,446,456	33,256,856	30,440,444	2,816,412
Excess (deficiency) of revenues over (under) operating appropriations	(3,241,545)	(4,051,945)	538,089	4,590,034
Fund balance, January 1	12,803,342	12,803,342	12,803,342	-
Fund balance, December 31	\$ 9,561,797	\$ 8,751,397	13,341,431	\$ 4,590,034
RECAPITULATION OF FUND BALANCE:				
Restricted fund balance:				
Capital			1,392,534	
New Jersey unemployment trust fund			61,331	
Committed for:				
Pension, other-post employment health benefits and capital costs			1,747,338	
Assigned for:				
Subsequent year's expenditures			2,352,777	
Other purposes				
Unassigned fund balance			7,787,451	
Total - budgetary basis			13,341,431	
Reconciliation to the governmental funds statements:				
Length of service award program investment balance not recognized on the budgetary basis			134,432	
Total fund balance - Governmental Funds			\$ 13,475,863	

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Budgetary Comparison Schedule - Special Revenue Fund
For the year ended December 31, 2024

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Federal sources	\$ -	\$ 508,614	\$ 508,614	\$ 508,614	\$ -
Total revenues	<u>-</u>	<u>508,614</u>	<u>508,614</u>	<u>508,614</u>	<u>-</u>
Expenditures:					
Operating appropriations:					
Salaries and wages and employee benefits	-	235,140	235,140	235,140	-
Other expenses:					
Supplies and materials	-	97,645	97,645	97,645	-
Training and education	-	175,829	175,829	175,829	-
Total operating appropriations	<u>-</u>	<u>508,614</u>	<u>508,614</u>	<u>508,614</u>	<u>-</u>
Excess (deficiency) of revenues over (under) operating appropriations	-	-	-	-	-
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Required Supplementary Information
Budgetary Basis to the Governmental Funds Reconciliation
For the year ended December 31, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Sources / inflows of resources:			
Actual amounts (budgetary basis) revenue			
from the budgetary comparison schedule (Schedule I)	\$ 30,978,533	\$ 508,614	\$ 31,487,147
Difference from budgetary basis to the Governmental Funds Financial Statements:			
The budgetary basis differs in that the District does not budget for investment income related to the Length of Service Awards Program (LOSAP). GASB Statement No. 73 requires that investment appreciation in the LOSAP be reported in the financial statements using the current financial resources measurement focus and the modified accrual basis of accounting as follows:			
Appreciation in the value of length of service awards program	16,229	-	16,229
Total revenues as reported on the Governmental Funds Statement of of Revenues, Expenditures, and Changes in Fund Balances (B-2)	\$ 30,994,762	\$ 508,614	\$ 31,503,376
Use / outflows of resources:			
Actual amounts (budgetary basis) operating appropriations			
from the budgetary comparison schedule (Schedule I)	\$ 30,440,444	\$ 508,614	\$ 30,949,058
Difference from budgetary basis to the Governmental Funds Financial Statements:			
The budgetary basis differs in that the District is required to budget for contributions to the Length of Service Awards Program (LOSAP). However, GASB Statement No. 73 requires that expenditures paid in accordance with the LOSAP be reported using the current financial resources measurement focus and the modified accrual basis of accounting as follows:			
Length of service awards program contribution	(18,450)	-	(18,450)
Administrative fees	700	-	700
Participant withdrawals	8,832	-	8,832
Total operating appropriations as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-2)	\$ 30,431,526	\$ 508,614	\$ 30,940,140

SCHEDULE III

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.03658%	0.03972%	0.03924%	0.03942%	0.04095%	0.03983%	0.03776%	0.04011%	0.03909%	0.03942%
District's proportionate share of the net pension liability	\$ 4,970,901	\$ 5,752,786	\$ 5,921,746	\$ 4,669,890	\$ 6,678,107	\$ 7,177,177	\$ 7,434,637	\$ 9,336,733	\$ 11,577,471	\$ 8,848,314
District's covered-employee payroll	\$ 3,000,058	\$ 3,078,214	\$ 2,850,446	\$ 2,978,324	\$ 2,983,730	\$ 2,810,174	\$ 2,734,811	\$ 2,738,875	\$ 2,676,547	\$ 2,484,404
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.69%	186.89%	207.75%	156.80%	223.82%	255.40%	271.85%	340.90%	432.55%	356.15%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

SCHEDULE IV

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
 Schedule of District Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 497,791	\$ 530,831	\$ 494,826	\$ 461,654	\$ 447,988	\$ 387,451	\$ 375,584	\$ 371,567	\$ 347,274	\$ 338,880
Contributions in relation to the contractually required contribution	(497,791)	(530,831)	(494,826)	(461,654)	(447,988)	(387,451)	(375,584)	(371,567)	(347,274)	(338,880)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,223,647	\$ 3,000,058	\$ 3,078,214	\$ 2,850,446	\$ 2,978,324	\$ 2,983,730	\$ 2,810,174	\$ 2,734,811	\$ 2,738,875	\$ 2,676,547
Contributions as a percentage of covered-employee payroll	15.44%	17.69%	16.08%	16.20%	15.04%	12.99%	13.37%	13.59%	12.68%	12.66%

SCHEDULE V

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Police and Firemen's Retirement System (PFRS)
 Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.21902%	0.24333%	0.24488%	0.24617%	0.25859%	0.26824%	0.26178%	0.27157%	0.27952%	0.27439%
District's proportionate share of the net pension liability	\$ 22,616,886	\$ 26,884,899	\$ 28,030,224	\$ 17,992,924	\$ 33,413,503	\$ 32,826,947	\$ 35,423,811	\$ 41,925,042	\$ 53,394,626	\$ 45,703,657
State of New Jersey's proportionate share of the net pension liability associated with the District	4,458,871	4,953,855	4,988,558	5,060,506	5,185,623	5,183,437	4,811,739	4,695,958	4,483,824	4,008,057
Total	\$ 27,075,757	\$ 31,838,754	\$ 33,018,782	\$ 23,053,430	\$ 38,599,126	\$ 38,010,384	\$ 40,235,550	\$ 46,621,000	\$ 57,878,450	\$ 49,711,714
District's covered-employee payroll	\$ 8,350,625	\$ 8,843,687	\$ 8,294,264	\$ 8,557,181	\$ 8,820,321	\$ 9,091,635	\$ 8,696,955	\$ 8,678,255	\$ 8,996,844	\$ 8,858,455
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	270.84%	304.00%	337.95%	210.27%	378.82%	361.07%	407.31%	483.10%	593.48%	515.93%
Plan fiduciary net position (deficit) as a percentage of the total net pension liability	72.66%	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
 Schedule of District Contributions
 Police and Firemen's Retirement System (PFRS)
 Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,029,513	\$ 3,239,199	\$ 3,184,839	\$ 2,869,021	\$ 2,888,915	\$ 2,709,539	\$ 2,559,333	\$ 2,403,438	\$ 2,279,004	\$ 2,230,374
Contributions in relation to the contractually required contribution	(3,029,513)	(3,239,199)	(3,184,839)	(2,869,021)	(2,888,915)	(2,709,539)	(2,559,333)	(2,403,438)	(2,279,004)	(2,230,374)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,517,499	\$ 8,350,625	\$ 8,843,687	\$ 8,294,264	\$ 8,557,181	\$ 8,820,321	\$ 9,091,635	\$ 8,696,955	\$ 8,678,255	\$ 8,996,844
Contributions as a percentage of covered-employee payroll	35.57%	38.79%	36.01%	34.59%	33.76%	30.72%	28.15%	27.64%	26.26%	24.79%

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit Liability
Local Government Retired Employees Plan
Last Eight Fiscal Years *

	Measurement Date Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the other post-employment benefit liability	0.198900%	0.180880%	0.152460%	0.155380%	0.081574%	0.071536%	0.074351%	0.068663%
District's proportionate share of the net other post-employment benefit liability	\$ 35,613,215	\$ 27,143,228	\$ 24,622,319	\$ 27,967,880	\$ 14,639,770	\$ 9,690,317	\$ 11,648,287	\$ 14,010,539
District's covered-employee payroll	\$ 11,350,683	\$ 11,921,901	\$ 11,144,710	\$ 11,586,853	\$ 11,956,721	\$ 11,721,612	\$ 10,929,573	\$ 10,929,573
District's proportionate share of the net other postemployment benefit liability as a percentage of its covered-employee payroll	31.87%	43.92%	45.26%	41.43%	81.67%	120.96%	93.83%	78.01%
Plan fiduciary net position (deficit) as a percentage of the total other postemployment benefit liability	(0.89%)	(0.79%)	(0.36%)	0.28%	0.91%	1.98%	1.97%	1.03%

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Required Supplementary Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None noted.

Changes of Assumptions

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

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

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

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

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None noted.

Changes of Assumptions

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

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

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

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

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

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
Notes to the Required Supplementary Information (continued)

Other Post-Employment Benefits (OPEB)

Changes in Benefits

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

Differences Between Expected and Actual Experiences

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

Changes of Assumptions

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

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

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

SCHEDULE II

FIRE DISTRICT NO. 13 OF THE TOWNSHIP OF CHERRY HILL
 Schedule of Obligations under Leases
 For the year ended December 31, 2024

Description	Date of Lease	Term of Lease	Annual Maturities		Interest Rate	Balance January 1, 2024	Issued	Retired	Balance December 31, 2024	
			Date	Amount						
Property Lease - Church Road	January 1, 2022	Five Years	December 31, 2025	\$ 20,671	3.250%	\$ 62,209	\$ -	\$ (18,758)	\$ 43,451	
			December 31, 2026	22,780	3.250%					
Equipment Lease - Ambulance	June 6, 2018	Six Years	December 31, 2024	14,362	3.007%	14,362	-	(14,362)	-	
Equipment Lease - Ambulance	September 30, 2018	Six Years	December 31, 2024	28,633	3.247%	28,633	-	(28,633)	-	
Equipment Lease - Ambulance	April 24, 2024	One Year	December 31, 2025	8,283	8.708%	-	30,150	(21,867)	8,283	
Equipment Lease - Ambulance	March 26, 2024	One Year	December 31, 2025	5,644	8.773%	-	30,464	(24,820)	5,644	
Equipment Lease - Ambulance	December 26, 2020	Four Years	December 31, 2024	69,770	6.790%	69,770	-	(69,770)	-	
Equipment Lease - Ambulances	October 1, 2023	Five Years	December 31, 2025	94,176	8.500%	400,466	-	(73,550)	326,916	
			December 31, 2026	120,587	8.500%					
			December 31, 2027	112,153	8.500%					
Total						\$ 575,440	\$ 60,614	\$ (251,760)	\$ 384,294	



To the Board of Fire Commissioners of
Fire District No. 13 of the Township of Cherry Hill
County of Camden
Township of Cherry Hill, State of New Jersey

We have audited the basic financial statements of the Fire District No. 13 of the Township of Cherry Hill, County of Camden, State of New Jersey for the year ended December 31, 2024. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS AND RECOMMENDATIONS

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

N.J.S.A.40A:11-4 – Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$44,000, except by contract or agreement. Fire District No. 13 of the Township of Cherry Hill has a qualified purchasing agent on staff and therefore may award contracts up to \$44,000 without competitive bids.

It is pointed out that the Board of Fire Commissioners have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising and awarded by resolution for the following items: firefighter and EMS uniforms

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures revealed individual payments, contracts or agreements in excess of \$6,600 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of *N.J.S.A.40A:11-6.1*.

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

Examination of Cash Receipts

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

Examination of Bills

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

Payroll Examination

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Fire District No. 13 of the Township of Cherry Hill's employees and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

Capital Assets

The capital asset subledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

Budget Adoption

The State of New Jersey requires that the Fire District No. 13 of the Township of Cherry Hill's operating and capital budgets be approved and adopted for each fiscal year. Fire District No. 13 of the Township of Cherry Hill approved its operating budget on December 18, 2023, and adopted its operating budget on January 18, 2024.

Current Year's Findings

There were no current year's findings.

Follow-up on Prior Year's Findings

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

Acknowledgment

We received the complete cooperation from all the staff of Fire District No. 13 of the Township of Cherry Hill and we greatly appreciate the courtesies extended to the members of the audit team. During our audit, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions, please call us.

Handwritten signature in black ink that reads "HOLMAN FRENIA ALLISON P.C." in all caps.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

January 19, 2026
Lakewood, New Jersey