

**WOODBIDGE TOWNSHIP  
FIRE DISTRICT NO. 11  
ISELIN, NEW JERSEY**

Financial Statements  
and Supplementary Information

December 31, 2021

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
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**DECEMBER 31, 2021**

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## **Independent Auditors' Report**

**Board of Fire Commissioners  
Woodbridge Township Fire District No. 11**

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

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Woodbridge Township Fire District No. 11 ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General fund 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

## ***Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying 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 for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 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 for the year ended December 31, 2021 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022 on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*  
PKF O'Connor Davies, LLP  
Woodcliff Lake, New Jersey  
September 19, 2022



**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

**Board of Fire Commissioners  
Woodbridge Township Fire District No. 11**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Woodbridge Township Fire District No. 11 ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 19, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 the District'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*.

### ***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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*  
PKF O'Connor Davies, LLP  
Woodcliff Lake, NJ  
September 19, 2022



**REQUIRED SUPPLEMENTARY INFORMATION**

**PART 1**

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

The discussion and analysis of Woodbridge Township Fire District No. 11's ("District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and related notes which comprise the basic financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

In total, net position increased by \$164,284 from 2020 restated net position.

General revenues accounted for \$1,395,081 or 99.3 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,112 or 0.7 percent of total revenues of \$1,405,193.

Total assets of governmental activities increased by \$624,978 as cash and cash equivalents increased by \$739,875 and net capital assets decreased by \$114,897.

The District had \$1,240,909 in expenses; only \$10,112 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$1,395,081 (primarily property taxes) were adequate to provide for these programs.

Among governmental funds, the General Fund, which includes the activity from the Length of Service Award Program (LOSAP) in 2021, had \$1,305,193 in revenues and \$1,175,440 in expenditures. The General Fund's fund balance increased by \$129,753 from the 2020 restated fund balance.

**Using this Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Woodbridge Township Fire District No. 11 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

## **District-Wide Financial Statements (Statement of Net Position and Statement of Activities)**

These statements provide both short-term and long-term information about the District's overall financial status.

### **Fund Financial Statements**

Fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**Figure A-1  
Major Features of District-Wide and Fund Financial Statements**

	<b>District-wide Statements</b>	<b>Fund Financial Statements Governmental Funds</b>
<b>Scope</b>	Entire district	The activities of the district that are not proprietary
<b>Required financial statements</b>	•Statement of net position •Statement of activities	•Balance sheet •Statement of revenues, expenditures, and changes in fund balances
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<b>Type of asset, deferred outflows/inflows of resources and liability information</b>	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Woodbridge Township Fire District No. 11, the General Fund is by far the most significant fund.

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

### **Statement of Net Position and the Statement of Activities**

While this document contains several funds used by the District to provide programs and activities, the view of the District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in its net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required programs and other factors.

## **Reporting the District's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District uses certain funds to account for a multitude of financial transaction. The District's governmental funds are the General Fund and Capital Projects Fund.

### **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

### **The District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**Table A-1  
Summary of Net Position**

	Governmental Activities December 31,		Percentage Change <u>2020-2021</u>
	<u>2021</u>	<u>2020</u>	
Current and Other Assets	\$ 2,644,099	\$ 1,904,224	38.85%
Capital Assets			
Being Depreciated, net	1,995,117	2,110,014	-5.45%
Total Assets	4,639,216	4,014,238	15.57%
Deferred Amounts on Net Pension Liability	9,649	11,466	-15.85%
Total Deferred Outflows of Resources	9,649	11,466	-15.85%
Other Liabilities	116,655	112,164	4.00%
Non Current Liabilities	70,445	103,648	-32.03%
Total Liabilities	187,100	215,812	13.30%
Deferred Amounts on Net Pension Liability	101,160	119,213	-15.14%
Total Deferred Inflows of Resources	101,160	119,213	-15.14%
Net Position:			
Investment in Capital Assets	1,995,117	2,110,014	-5.45%
Restricted	902,467	1,308,109	-31.01%
Unrestricted	1,463,021	778,198	88.00%
Total Net Position	\$ 4,360,605	\$ 4,196,321	3.91%

**Table A-2**  
**Changes in Net Position**

	Governmental Activities Year Ended December 31,		Percentage Change
	<u>2021</u>	<u>2020</u>	<u>2020-2021</u>
<b>REVENUES:</b>			
Program Revenues:			
Charges for Services	\$ 1,245	\$ 2,745	-54.64%
Operating Grants and Contributions	8,867	6,577	34.82%
General Revenues:			
Property Taxes	1,355,549	1,320,929	2.62%
Other	39,532	9,346	322.98%
Total Revenues	1,405,193	1,339,597	4.90%
<b>EXPENSES:</b>			
Administration	147,144	134,106	9.72%
Cost of Operations and Maintenance	1,093,765	1,146,802	-4.62%
Total Expenses	1,240,909	1,280,908	-3.12%
Change in Net Position	164,284	58,689	179.92%
Net Position, Beginning of Year	4,196,321	3,631,990	15.54%
Retrospective Adjustment - see Note 7		505,642	-100.00%
Net Position, End of Year	\$4,360,605	\$4,196,321	3.91%

## Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. Property taxes made up 96.5% and 98.6% of revenues for governmental activities for the District 2021 and 2020, respectively. The District's total revenues were \$1,405,193 and \$1,339,597 for the years ended December 31, 2021 and 2020, respectively. Charges for services accounted for 0.1% and 0.2% of revenues operating grants and contributions accounted for 0.6% and 0.5% of revenues and other miscellaneous revenues accounted for the remaining 2.8% and 0.7% for 2021 and 2020, respectively.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table A-3**  
**Total and Net Cost of Services**

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Administration	\$ 147,144	\$ 147,144	\$ 134,106	\$ 134,106
Cost of Operations and Maintenance	1,093,765	1,083,653	1,146,802	1,137,480
Total Expenses	\$1,240,909	\$1,230,797	\$1,280,908	\$1,271,586

Administration includes expenses associated with administrative and financial supervision of the District.

Cost of Operations and Maintenance involve keeping equipment in an effective working condition.

## The District's Funds

All governmental funds (i.e., General Fund and Capital Projects Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$1,405,193 and \$1,339,597 and expenditures were \$1,175,440 and \$1,220,161 for the years 2021 and 2020, respectively. The change in fund balance for the 2021 year in the General Fund was an increase of \$129,753 and an increase of \$100,000 in the capital projects fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following table presents a summary of Governmental Fund revenues for the years ended December 31, 2021 and 2020 and the increases and decreases in relation to prior year amounts.



## The District's Funds (Continued)

**Table A-4**  
**Summary of Revenues-Governmental Funds**

Years Ended December 31,	2021	2020	Increase (Decrease) from 2020	Percentage of Increase (Decrease)
Revenues:				
Local Sources:				
Miscellaneous Revenue	\$ 34,699	\$ 18,668	\$ 16,031	85.87%
Property Tax Levy	1,355,549	1,320,929	34,620	2.62%
Investment Returns	14,945		14,945	100.00%
Total	\$ 1,405,193	\$ 1,339,597	\$ 65,596	4.90%

The following table presents a summary of Governmental Fund expenditures for the years ended December 31, 2021 and 2020 and the increases and decreases in relation to prior year amounts.

**Table A-5**  
**Summary of Expenditures-Governmental Funds**

Years Ended December 31,	2021	2020	Increase (Decrease) from 2020	Percentage of Increase (Decrease)
Expenditures:				
Administration	\$ 153,604	\$ 148,488	\$ 5,116	3.45%
Cost of Operations and Maintenance	970,320	1,001,881	(31,561)	-3.15%
Capital Outlay	42,257	69,792	(27,535)	-39.45%
Benefits Paid to Participants	9,259		9,259	100.00%
Total	\$ 1,175,440	\$ 1,220,161	\$ (44,721)	-3.67%

## Capital Assets

At the end of the years 2021 and 2020, the District had \$1,995,117 and \$2,110,014 invested in buildings and building improvements and vehicles net of depreciation, respectively. Table 6 shows 2021 balances compared to 2020.

**Table A-6**  
**Summary of Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities		Increase (Decrease) from 2020	Percentage of Increase (Decrease)
	2021	2020		
Buildings and Building Improvements	\$ 448,648	\$ 477,396	\$ (28,748)	-6.02%
Vehicles	1,443,016	1,541,911	(98,895)	-6.41%
Equipment	103,453	90,707	12,746	14.05%
Total	\$ 1,995,117	\$ 2,110,014	\$ (114,897)	-5.45%

Additional information on capital assets may be found in Note 2 to the financial statements.

## Debt Administration

At December 31, 2021 and 2020 the District had net pension liabilities of \$70,445 and \$103,648, respectively.

**Table A-7**  
**Summary of Outstanding Liabilities**

	2021	2020	Increase (Decrease) from 2020	Percentage of Increase (Decrease)
Net Pension Liability	\$ 70,445	\$ 103,648	\$ (33,203)	-32.03%
Total	\$ 70,445	\$ 103,648	\$ (33,203)	-32.03%

Additional information on debt administration may be found in Note 2 to the financial statements.

## For the Future

The Woodbridge Township Fire District No. 11 is in sound financial condition presently. The District is proud of its community support.

In conclusion, the Woodbridge Township Fire District No. 11 has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

## Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact John Trela, Treasurer, at Woodbridge Township Fire District No. 11, P. O. Box 287, Iselin, NJ 08830.

**FINANCIAL STATEMENTS**

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Statement of Net Position**  
**As of December 31, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,132,771
Investments with Fiscal Agents	511,328
Capital Assets Being Depreciated, net	<u>1,995,117</u>
Total Assets	<u>4,639,216</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Amounts on Net Pension Liability	<u>9,649</u>
Total Assets and Deferred Outflows of Resources	<u>4,648,865</u>
<b>LIABILITIES</b>	
Accounts Payable and Other Current Liabilities	109,691
Accrued Pension Obligation	6,964
Noncurrent Liabilities	
Due Beyond One Year	<u>70,445</u>
Total Liabilities	<u>187,100</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Amounts on Net Pension Liability	<u>101,160</u>
Total Liabilities and Deferred Inflows of Resources	<u>288,260</u>
<b>NET POSITION</b>	
Investment in Capital Assets	1,995,117
Restricted For:	
Capital Projects	902,467
Unrestricted	<u>1,463,021</u>
Total Net Position	<u>\$ 4,360,605</u>

See accompanying Notes to the Financial Statements.

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and</u>
		<u>Charges For</u>	<u>Operating</u>	<u>Capital</u>	<u>Changes in Net Position</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Total</u>
			<u>Contributions</u>	<u>Contributions</u>	
Governmental Activities					
Administration	\$ 147,144				\$ (147,144)
Cost of Operations and Maintenance	<u>1,093,765</u>	<u>\$ 1,245</u>	<u>\$ 8,867</u>	<u>-</u>	<u>(1,083,653)</u>
Total Governmental Activities	<u>1,240,909</u>	<u>1,245</u>	<u>8,867</u>	<u>-</u>	<u>(1,230,797)</u>
Total Primary Government	<u>\$ 1,240,909</u>	<u>\$ 1,245</u>	<u>\$ 8,867</u>	<u>\$ -</u>	<u>(1,230,797)</u>

## General Revenues:

Property Taxes, Levied for General Purposes	1,255,549
Property Taxes, Levied for Capital Projects	100,000
Other	<u>39,532</u>
Total General Revenues	<u>1,395,081</u>
Changes in Net Position	164,284
Net Position - Beginning of Year (retroactively adjusted - see Note 7)	<u>4,196,321</u>
Net Position - End of Year	<u>\$ 4,360,605</u>

See accompanying Notes to the Financial Statements.

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,230,304	\$ 902,467	\$ 2,132,771
Investments with Fiscal Agents	<u>511,328</u>		<u>511,328</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,741,632</u></u>	<u><u>\$ 902,467</u></u>	<u><u>\$ 2,644,099</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable and Other Current Liabilities	<u>\$ 109,691</u>	<u>\$ -</u>	<u>\$ 109,691</u>
<b>Total Liabilities</b>	<u>109,691</u>	<u>-</u>	<u>109,691</u>
<b>Fund Balances:</b>			
Restricted			
Capital Projects		2,467	2,467
Capital Projects-Designated for Subsequent Year's Expenditures		900,000	900,000
Length of Service Award Program	538,388		538,388
Assigned			
Year End Encumbrances	8,900		8,900
Designated for Subsequent Year's Expenditures	207,705		207,705
Unassigned	<u>876,948</u>		<u>876,948</u>
<b>Total Fund Balances</b>	<u>1,631,941</u>	<u>902,467</u>	<u>2,534,408</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,741,632</u></u>	<u><u>\$ 902,467</u></u>	

See accompanying Notes to the Financial Statements.

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Balance Sheet**  
**Governmental Funds**  
**As of December 31, 2021**

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the capital assets is \$4,638,876 and the accumulated depreciation is \$2,643,759. \$ 1,995,117

The District contributes to pension obligations. The pension obligation accrual at year end is: (6,964)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 9,649	
Deferred Inflows of Resources	<u>(101,160)</u>	
		(91,511)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term liabilities at year end consist of:

Net Pension Liability	<u>(70,445)</u>
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Net Position of Governmental Activities	<u><u>\$ 4,360,605</u></u>
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See accompanying Notes to the Financial Statements.



**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Miscellaneous Revenues	\$ 34,699		\$ 34,699
Property Tax Levy	1,255,549	\$ 100,000	1,355,549
Investment Return	14,945		14,945
	<u>1,305,193</u>	<u>100,000</u>	<u>1,405,193</u>
<b>Total Revenues</b>	<u>1,305,193</u>	<u>100,000</u>	<u>1,405,193</u>
<b>EXPENDITURES</b>			
Administration	153,604		153,604
Cost of Operations and Maintenance	970,320		970,320
Capital Outlay	42,257	-	42,257
Benefits Paid to Participants	9,259		9,259
	<u>1,175,440</u>	<u>-</u>	<u>1,175,440</u>
<b>Total Expenditures</b>	<u>1,175,440</u>	<u>-</u>	<u>1,175,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>129,753</u>	<u>100,000</u>	<u>229,753</u>
<b>FUND BALANCE</b>			
Beginning of Year (restroactively adjusted - see Note 7)	<u>1,502,188</u>	<u>802,467</u>	<u>2,304,655</u>
End of Year	<u>\$ 1,631,941</u>	<u>\$ 902,467</u>	<u>\$ 2,534,408</u>

See accompanying Notes to the Financial Statements.

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 229,753

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay acquisitions in the period.

Capital Outlay	\$	42,257	
Depreciation Expense		<u>(157,154)</u>	(114,897)

In the statement of activities, certain operating expenses, e.g., net pension liability are measured by the amounts accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the accrued amounts exceed the paid amounts, the difference is reduction in the reconciliation (-); when the paid amounts exceed the accrued amounts the difference is an addition to the reconciliation (+).

		<u>49,428</u>	
Change in Net Position of Governmental Activities		<u>\$ 164,284</u>	

See accompanying Notes to the Financial Statements.

**NOTES TO FINANCIAL STATEMENTS**

## **Woodbridge Township Fire District No. 11**

Notes to Financial Statements  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies**

The Woodbridge Township Fire District No. 11 ("District") operates in accordance with various applicable laws of the State of New Jersey. The Board of Fire Commissioners is the legislative body responsible for the overall operation of the District. The members of the Board are elected by the taxpayers of the District. The primary function of the District is to provide fire protection services to residents of the District.

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

#### **A. Financial Reporting Entity**

The Woodbridge Township Fire District No. 11 is a political subdivision of the Township of Woodbridge, Middlesex County, New Jersey. The District functions independently through a Board of Fire Commissioners. The board is comprised of five members elected to three-year terms. The annual Fire District election is held the third Saturday of February.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

#### **B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate indirect costs to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **C. Fund Financial Statements**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The District's resources are reflected in the fund financial statements within one broad fund category, in accordance with generally accepted accounting principles as follows:

#### **Fund Categories**

**Governmental Funds** - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following is the District's governmental funds:

**General Fund** - The General Fund is the primary operating fund of the District and is used to account for and report all financial resources not accounted for and reported in another fund.

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

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to residents for services provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

#### **E. Budgets/Budgetary Control**

Annual budgets are prepared each year for the operations of the fire district. The budgets are approved by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The budgets are then voted upon by the public, at the annual fire district election held on the third Saturday in February. Budgetary transfers may be made during the last two months of the year.

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

#### **F. Encumbrances**

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

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

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances**

##### **Cash, Cash Equivalents and Investments**

**Cash and Equivalents** - Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. All investments are stated at fair value.

New Jersey fire districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statutes provide a list of permissible investments that may be purchased by New Jersey fire districts.

The District has previously adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions 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 New Jersey.

**Inventory and Prepaid Expenditures/Expenses**- There are no such values presented in the balance sheet of the District. Purchases of inventoriable and prepaid items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

**Capital Assets** - Capital assets, which include land, construction-in-progress, property, plant and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Building Improvements	40
Fire Trucks	25
Other Vehicles	5
Equipment	5

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.



## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (Continued)**

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the government-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. This amount is deferred and amortized over future years.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts in net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions. This amount is deferred and amortized over future years.

The District reported deferred outflows/inflows of resources in relation to its pension liabilities. These amounts are detailed in the discussion of the District's pension plan in Note 2D.

**Net Pension Liability** - The net pension liability represents the District's proportionate share of the net pension liability of the Public Employees' Retirement System (PERS). The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB Statement No. 68*".

**Net Position** - represents the difference between assets, deferred outflows of resources less liabilities and deferred inflows of resources in the Government-Wide Statements. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **G. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances (Continued)**

Board of Fire Commissioners or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the District includes restricted for purchases of apparatus and equipment, buildings and grounds, radio equipment, repairs and tax stabilization.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Fund Balances** - Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

*Restricted* fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation.

*Capital Projects* and *Capital Projects-Designated for Subsequent Year's Expenditures* - represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Assigned* fund balance are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* - represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at year-end.

*Designated for Subsequent Year's Expenditures* - dedicates the portion of fund balance appropriated in the adopted 2022 District budget certified for taxes.

*Unassigned* fund balance represents fund balance that has not been restricted, committed, or assigned to specific purposes within the governmental funds.

## **Woodbridge Township Fire District No. 11**

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **H. Revenues and Expenditures**

**Program Revenues** - Amounts reported as program revenues in the government-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

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

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

#### **I. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **J. Subsequent Events**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 19, 2022.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds**

#### **A. Cash Deposits and Investments**

**Cash Deposits** - The District's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The District is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021, the book value of the District's deposits was \$2,132,771 and the bank balance of the District's deposits was \$2,144,693. Of the bank balances \$250,000 was covered by FDIC and \$1,894,693 was covered by GUDPA.

**Investments** - The District is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a 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, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; 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 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the District is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

At December 31, 2021 the District has the following investments:

	<u>Fair Value</u>
<u>2021</u>	
Length of Service Award Program	\$ <u>511,328</u>

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **A. Cash Deposits and Investments (Continued)**

*Custodial Credit Risk: Investments* – For an investment this is the 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 held by an outside party. The District does not have a policy for custodial risk. As of December 31, 2021, \$511,328 of the District's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<b><u>2021</u></b>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the District's name	<u>\$ 511,328</u>

*Interest Rate Risk* – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The District does not have an investment policy that would further limit its investment choices.

*Concentration of Credit Risk* – The District places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the District's investments are in Empower within a Guaranteed Interest Account. These investments are 100% of the District's total investments. As of December 31, 2021, the District investment in Empower Retirement was rated Aa3 by Moody's.

Investments are reported at fair value.

**Woodbridge Township Fire District No. 11**

Notes to Financial Statements (Continued)  
December 31, 2021

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**Note 2 - Detailed Notes on All Funds (Continued)****B. Capital Assets**

Changes in the District's capital assets are as follows:

	Balance January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2021</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 1,149,878			\$ 1,149,878
Vehicles	3,258,636			3,258,636
Equipment	<u>188,105</u>	\$ <u>42,257</u>	<u>-</u>	<u>230,362</u>
Total Capital Assets, Being Depreciated	<u>4,596,619</u>	<u>42,257</u>	<u>-</u>	<u>4,638,876</u>
Accumulated Depreciation For:				
Buildings and Building Improvements	(672,482)	(28,747)		(701,229)
Vehicles	(1,716,725)	(98,895)	-	(1,815,620)
Equipment	<u>(97,398)</u>	<u>(29,512)</u>	<u>-</u>	<u>(126,910)</u>
Total Accumulated Depreciation	<u>(2,486,605)</u>	<u>(157,154)</u>	<u>-</u>	<u>(2,643,759)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,110,014</u>	<u>(114,897)</u>	<u>-</u>	<u>1,995,117</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,110,014</u>	<u>\$ (114,897)</u>	<u>\$ -</u>	<u>\$ 1,995,117</u>

Depreciation expense of \$157,154 was charged to the District's function of Cost of Operations and Maintenance.

**C. Long-Term Liabilities**

The following table summarizes changes in the District's long-term liabilities for the year ended December 31, 2021:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	Ending <u>Balance</u>
Net Pension Liability	\$ <u>103,648</u>	\$ <u>-</u>	\$ <u>33,203</u>	\$ <u>70,445</u>
Total Long-Term Liabilities	<u>\$ 103,648</u>	<u>\$ -</u>	<u>\$ 33,203</u>	<u>\$ 70,445</u>

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement system covering substantially all state and local government employees which includes those District employees who are eligible for pension coverage.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those District employees who are eligible for pension coverage.



## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans (Continued)**

**Defined Contribution Retirement Program (DCRP)** - established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

#### **Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PERS is funded directly by the respective system, but is currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

#### **Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans (Continued)**

##### **Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

##### **Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$28,386,785,177 and the plan fiduciary net position as a percentage of the total pension liability is 70.33%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

##### **Actuarial Methods and Assumptions**

In the July 1, 2020 PERS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

##### **Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2021 based on 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans (Continued)**

For PERS, which is a cost sharing multi-employer defined benefit pension plan, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the District for 2021, 2020 and 2019 were equal to the required contributions.

During the years ended December 31, 2021, 2020 and 2019, the District was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 6,953	\$ 2,577
2020	6,118	3,467
2019	9,444	2,855

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

At December 31, 2021, the District reported a liability of \$70,445 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the District's proportionate share was 0.00059 percent, which was a decrease of 0.00005 percent from its proportionate share measured as of June 30, 2020 of 0.00064 percent.

**Woodbridge Township Fire District No. 11**

Notes to Financial Statements (Continued)

December 31, 2021

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**Note 2 - Detailed Notes on All Funds (Continued)****D. Employee Retirement Systems and Pension Plans (Continued)**

For the year ended December 31, 2021, the pension system has determined the District's pension (benefit)/expense to be \$(35,510) for PERS based on the actuarial valuations which is less than the actual contribution reported in the District's financial statements of \$6,953. At December 31, 2021, the District's deferred outflows of resources and deferred inflows of resources related to PERS pension which are reported on the District's government-wide financial statements are from the following sources:

	<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 1,111	\$ 504
Changes of Assumptions	367	25,079
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		18,557
Changes in Proportion and Difference Between District Contributions and Proportionate Share of Contributions	1,207	57,020
District Contributions Subsequent to the Measurement Date	6,964	
Total	<u>\$ 9,649</u>	<u>\$ 101,160</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<b>Year Ending December 31,</b>	<b>Total</b>
2022	\$ (18,276)
2023	(5,199)
2024	16,031
2025	19,636
2026	3,373
Thereafter	(114,040)
	<u>\$ (98,475)</u>



## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans (Continued)**

##### *Actuarial Assumptions*

The District's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to the June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<b>2021</b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2021.

The actuarial assumptions used in the July 1, 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

##### *Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021 are summarized in the following table:

**Woodbridge Township Fire District No. 11**

Notes to Financial Statements (Continued)  
December 31, 2021

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**Note 2 - Detailed Notes on All Funds (Continued)****D. Employee Retirement Systems and Pension Plans (Continued)**

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2021	7.00%

*Sensitivity of Net Pension Liability*

The following presents the District's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
<b>2021</b>			
District's Proportionate Share of the PERS			
Net Pension Liability	<u>\$ 95,932</u>	<u>\$ 70,445</u>	<u>\$ 48,816</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at December 31, 2021. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 2 - Detailed Notes on All Funds (Continued)**

#### **D. Employee Retirement Systems and Pension Plans (Continued)**

##### *Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

### **Note 3 – Commitments and Contingencies**

#### **Risk Management**

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

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

**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 employee contributions, reimbursements to the State for benefits paid and the remaining ending balance of the District's funds available for reimbursements for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 1,114		\$ 17,660
2020	-	288	\$ 82	16,546
2019	-	479	198	16,340

### **Note 4 – Fund Balance Appropriated**

**General Fund** - Of the \$1,631,941 General Fund fund balance at December 31, 2021, \$8,900 is assigned for encumbrances; \$207,705 is assigned and has been appropriated for tax relief and included in the 2022 budget, \$538,388 is restricted for LOSAP, and \$876,948 is unassigned.

**Capital Projects Fund** - Of the \$902,467 Capital Projects Fund fund balance at December 31, 2021, \$2,467 is restricted for capital projects and \$900,000 is restricted and designated for subsequent year's expenditures.

## **Woodbridge Township Fire District No. 11**

### **Notes to Financial Statements (Continued)**

**December 31, 2021**

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#### **Note 5 – Length of Service Award Program (LOSAP)**

The Woodbridge Township Fire District No. 11 Length of Service Award Program (LOSAP) was created pursuant to Section 457 (e)(11)(13) of the Internal Revenue 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 tax deferred income benefits for active volunteer members of the Woodbridge Township Fire District No. 11 come from contributions made solely by the District, on behalf of those volunteers who meet the criteria of the Program created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit. 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 will publish changes to the permitted maximum on an annual basis. The CPI was 0.96% for the calendar year 2021.

The Woodbridge Township of Fire District No. 11 contributed \$1,804 per eligible volunteer into the Program, based on the annual accumulated points of each member for the year ended December 31, 2021. The total 2021 contribution for all eligible members was \$27,060.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the District has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the Program participants and their beneficiaries.

Empower Retirement is the administrator of the Program. The District's practical involvement in administering the Program is essentially limited to verifying the eligibility of each participant and remitting the funds to the Program administrator.

#### **Note 6 - Recently Issued GASB Pronouncements**

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the District believes will most impact its financial statements. The District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

#### **Note 7 – Change in Accounting Principle/Retroactive Adjustments**

Effective in the fiscal year ended December 31, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.



## Woodbridge Township Fire District No. 11

Notes to Financial Statements (Continued)  
December 31, 2021

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### **Note 7 – Change in Accounting Principle/Retroactive Adjustments (Continued)**

As part of this implementation, the activity in the Length of Service Award Program which had previously been reported in the Fiduciary Funds is now reported in the General fund. The implementation of the Statement required retroactive adjustments of prior year net position in the government-wide financial statements and fund balance in the general fund statement of revenues, expenditures and changes in fund balance.

#### **Government-wide financial statements:**

Beginning Net Position - January 1, 2021	\$ 3,690,679
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Retroactive Adjustments for:

Length of Service Award Program (audited)	<u>505,642</u>
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Beginning Net Position - January 1, 2021 (as adjusted)	<u><u>\$ 4,196,321</u></u>
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#### **Governmental Funds financial statements—General fund:**

Beginning Fund Balance - January 1, 2021	\$ 996,546
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Retroactive Adjustments for:

Length of Service Award Program (audited)	<u>505,642</u>
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Beginning Fund Balance - January 1, 2021 (as adjusted)	<u><u>\$ 1,502,188</u></u>
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### **Note 8 – Infectious Disease Outbreak – COVID-19 Pandemic**

The full impact of the COVID-19 pandemic continues to evolve as of the date the financial statements were available to be issued. This pandemic has adversely affected the global economic activity which contributed to significant business disruption in the United States. Additionally, given the uncertainty of any future disruption relating to another surge of COVID-19, such disruption could have a material adverse effect on the revenues and operations of the District. Notwithstanding, the District continues to monitor state and local developments and proceeds with proactive strategies to minimize any impact to its current and future operation.

### **Note 9 – Excess Expenditures Over Appropriations—General Fund**

The following is a summary of expenditures in excess of General Fund available appropriations that resulted in unfavorable variances, which were offset by other available financial resources:

Operating Appropriations—Administration—Fringe Benefits	2,150
Cost of Operations and Maintenance—Salaries and Wages—Chief Fire Official	4,127
Cost of Operations and Maintenance—Salaries and Wages—Housemen	3,401
Cost of Operations and Maintenance—Other Expenses—Fire Hydrants	20,249

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**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Miscellaneous Revenues:					
Other Revenue					
Interest on Investments	\$ 4,326		\$ 4,326	\$ 16,130	\$ 11,804
Miscellaneous	1,000	-	1,000	23,402	22,402
	<u>5,326</u>	<u>-</u>	<u>5,326</u>	<u>39,532</u>	<u>34,206</u>
Operating Grant Revenue:					
Supplemental Fire Services Program	-	-	-	8,867	8,867
Miscellaneous Revenues					
Offset With Appropriations:					
Uniform Fire Safety Act	7,837	-	7,837	1,245	(6,592)
Amount to be Raised by Taxation to Support the District Budget	<u>1,255,549</u>	<u>-</u>	<u>1,255,549</u>	<u>1,255,549</u>	<u>-</u>
Total Revenues	<u>1,268,712</u>	<u>-</u>	<u>1,268,712</u>	<u>1,305,193</u>	<u>36,481</u>
EXPENDITURES:					
Operating Appropriations:					
Administration:					
Salaries and Wages:					
Commissioners	53,320		53,320	53,320	-
Clerk	3,867		3,867	3,867	-
Business Administrator	21,648		21,648	13,913	7,735
Bookkeeper	21,648	-	21,648	21,648	-
Total Salaries and Wages	<u>100,483</u>	<u>-</u>	<u>100,483</u>	<u>92,748</u>	<u>7,735</u>

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Operating Appropriations:					
Administration:					
Fringe Benefits	\$ 27,229	-	\$ 27,229	\$ 29,379	\$ (2,150)
Other Expenses:					
Professional Services	35,500		35,500	15,283	20,217
Advertising	4,000		4,000	2,697	1,303
Elections	3,500		3,500	1,795	1,705
Travel Expenses	1,000		1,000		1,000
Memberships, Dues and Subscriptions	1,200		1,200	508	692
Training and Education	22,000		22,000	11,194	10,806
Total Other Expenses	67,200	-	67,200	31,477	35,723
Total Administration	194,912	-	194,912	153,604	41,308
Cost of Operations and Maintenance:					
Salaries and Wages:					
Chief Fire Official	20,090		20,090	24,217	(4,127)
Fire Official	8,271		8,271	8,271	
Fire Inspector	5,000		5,000	5,000	-
Engineer	625	-	625	625	
Maintenance Repair	3,401	-	3,401		3,401
Housemen	-	-	-	3,401	(3,401)
Total Salaries and Wages	37,387	-	37,387	41,514	(4,127)
Fringe Benefits	57,027	-	57,027	13,150	43,877

Continued

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>Cost of Operations and Maintenance:</b>					
<b>Other Expenses:</b>					
Fire Hydrants	\$ 231,000		\$ 231,000	\$ 251,249	\$ (20,249)
Insurance	49,500		49,500	42,418	7,082
<b>Contracted Services:</b>					
Joint Board	6,500		6,500	6,000	500
Township Radio Maintenance	21,221		21,221	21,220	1
Joint Dispatch	78,500		78,500	78,109	391
Fire Company	342,000		342,000	334,728	7,272
Training and Education	11,000		11,000	2,574	8,426
Office Expenses	25,000		25,000	19,450	5,550
Equipment	3,000		3,000	1,750	1,250
Other Operating Materials and Supplies	78,000		78,000	33,507	44,493
Utilities	57,000		57,000	44,148	12,852
Maintenance and Repairs	243,500		243,500	120,140	123,360
<b>Total Other Expenses</b>	<u>1,146,221</u>	<u>-</u>	<u>1,146,221</u>	<u>955,293</u>	<u>190,928</u>
<b>Total Cost of Operations and Maintenance</b>	<u>1,240,635</u>	<u>-</u>	<u>1,240,635</u>	<u>1,009,957</u>	<u>230,678</u>

Continued

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Operating Appropriations Offset With Revenues:					
Uniform Fire Safety Act:					
Other Expenses:					
Office Expenses	\$ 2,500		\$ 2,500	\$ 200	\$ 2,300
Supplies and Materials	2,000		2,000	670	1,330
Total Other Expenses	4,500	-	4,500	2,620	1,880
Total Uniform Fire Safety Act	4,500	-	4,500	2,620	1,880
Length of Service Award Program	35,000	-	35,000	9,259	25,741
Total Expenditures	1,475,047	-	1,475,047	1,175,440	299,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,335)	-	(206,335)	129,753	336,088
Fund Balance, Beginning of Year (retroactively adjusted - see Note 7)	1,502,188	-	1,502,188	1,502,188	-
Fund Balance, End of Year	\$ 1,295,853	\$ -	\$ 1,295,853	\$ 1,631,941	\$ 336,088
Restricted					
Length of Service Award Program				\$ 538,388	
Assigned					
Year End Encumbrances				8,900	
Designated for Subsequent Year's Expenditures				207,705	
Unassigned				876,948	
Total Fund Balances				\$ 1,631,941	

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART III**

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 11  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Nine Fiscal Years \***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Position Liability (Asset)	0.00059 %	0.00064 %	0.00062 %	0.00095 %	0.00124 %	0.00123 %	0.00119 %	0.00117 %	0.00115 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 70,445</u>	<u>\$ 103,648</u>	<u>\$ 113,330</u>	<u>\$ 186,943</u>	<u>\$ 288,897</u>	<u>\$ 362,952</u>	<u>\$ 268,938</u>	<u>\$ 219,367</u>	<u>\$ 220,066</u>
District's Covered Payroll	<u>\$ 44,016</u>	<u>\$ 44,788</u>	<u>\$ 45,346</u>	<u>\$ 50,912</u>	<u>\$ 73,111</u>	<u>\$ 88,966</u>	<u>\$ 87,220</u>	<u>\$ 85,506</u>	<u>\$ 79,451</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	160%	231%	250%	367%	395%	408%	308%	257%	277%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

\* The amounts presented for each year were determined as of June 30 of the respective year.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available



**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

	<b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM</b>								
	Last Nine Fiscal Years								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 6,953	\$ 6,118	\$ 9,444	\$ 11,497	\$ 10,877	\$ 10,300	\$ 9,659	\$ 8,676	\$ 8,731
Contributions in Relation to the Statutorily Required Contributions	<u>6,953</u>	<u>6,118</u>	<u>9,444</u>	<u>11,497</u>	<u>10,877</u>	<u>10,300</u>	<u>9,659</u>	<u>8,676</u>	<u>8,731</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 44,016</u>	<u>\$ 44,788</u>	<u>\$ 45,346</u>	<u>\$ 50,912</u>	<u>\$ 73,111</u>	<u>\$ 88,966</u>	<u>\$ 87,220</u>	<u>\$ 85,506</u>	<u>\$ 79,451</u>
Contributions as a Percentage of Covered Payroll	15.80%	13.66%	20.83%	22.58%	14.88%	11.58%	11.07%	10.15%	10.99%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 2 of the financial statements.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Combining Balance Sheet**  
**General Fund**  
**As of December 31, 2021**

	<u>General Fund</u>	<u>Length of Service Award Program</u>	<u>Eliminations</u>	<u>General Fund December 31, 2021</u>
<b>ASSETS</b>				
Assets:				
Cash and Cash Equivalents	\$ 1,230,304			\$ 1,230,304
Investments with Fiscal Agents		\$ 511,328		511,328
Receivables		27,435	\$ (27,435)	-
<b>TOTAL ASSETS</b>	<u>\$ 1,230,304</u>	<u>\$ 538,763</u>	<u>\$ (27,435)</u>	<u>\$ 1,741,632</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable and Other Current Liabilities	\$ 136,751	\$ 375	\$ (27,435)	\$ 109,691
<b>Total Liabilities</b>	<u>136,751</u>	<u>375</u>	<u>(27,435)</u>	<u>109,691</u>
Fund Balances:				
Restricted				
Length of Service Awards Program		538,388		538,388
Assigned				-
Year End Encumbrances	8,900			8,900
Designated for Subsequent Year's Expenditures	207,705			207,705
Unassigned	876,948			876,948
<b>Total Fund Balances</b>	<u>1,093,553</u>	<u>538,388</u>	<u>-</u>	<u>1,631,941</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,230,304</u>	<u>\$ 538,763</u>	<u>\$ -</u>	<u>\$ 1,741,632</u>

**WOODBRIIDGE TOWNSHIP FIRE DISTRICT NO. 11**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**For the Year Ended December 31, 2021**

	<u>General Fund</u>	<u>Length of Service Award Program</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>REVENUES:</b>				
Miscellaneous Revenues	\$ 34,699			\$ 34,699
Property Tax Levy	1,255,549			1,255,549
Contributions		\$ 27,435	\$ (27,435)	-
Investment Return		14,945		14,945
<b>Total Revenues</b>	<u>1,290,248</u>	<u>42,380</u>	<u>(27,435)</u>	<u>1,305,193</u>
<b>EXPENDITURES:</b>				
Administration	153,604			153,604
Cost of Operations and Maintenance	997,380		(27,060)	970,320
Capital Outlay	42,257			42,257
Administrative Fee		375	(375)	-
Benefits Paid to Participants		9,259		9,259
<b>Total Expenditures</b>	<u>1,193,241</u>	<u>9,634</u>	<u>(27,435)</u>	<u>1,175,440</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>97,007</u>	<u>32,746</u>	<u>-</u>	<u>129,753</u>
<b>Net Change in Fund Balances</b>	97,007	32,746	-	129,753
<b>Fund Balance, Beginning of Year (retroactively adjusted - see Note 7)</b>	<u>996,546</u>	<u>505,642</u>		<u>1,502,188</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,093,553</u>	<u>\$ 538,388</u>	<u>\$ -</u>	<u>\$ 1,631,941</u>

<b>SUPPORTING DATA</b>
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## STATISTICAL INFORMATION

### Property Tax Levies:

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding four years:

<u>Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
2021	\$ 327,718,400	\$ 1,355,549	\$ 0.436
2020	324,886,000	1,320,929	0.417
2019	323,999,600	1,282,202	0.396
2018	321,240,400	1,263,253	0.393
2017	315,869,600	1,238,483	0.392

### General Fund - Unassigned and Assigned – Designated for Subsequent Year's Expenditures Fund Balance:

<u>Year</u>	<u>Unassigned Balance, December 31,</u>	<u>Assigned - Designated for Subsequent Year's Expenditures</u>
2021	\$ 876,948	\$ 207,705
2020	781,711	206,335
2019	770,074	198,636
2018	673,199	241,054
2017	695,723	230,777

**WOODBIDGE TOWNSHIP FIRE DISTRICT NO. 11  
ROSTER OF OFFICIALS  
DECEMBER 31, 2021**

**Board of Fire Commissioners**

Steven Freeman, President

Roy Sandklev, Vice President

Ronald Lisoski, Secretary

Scott Smith, Financial Secretary

Thomas Carlin, Treasurer

**Other Officials**

Helge Nordtveit, Chief Fire Official - Local Enforcing Agency

Richard M. Braslow, Attorney



**GENERAL COMMENTS AND RECOMMENDATIONS**

**Woodbridge Township Fire District No. 11  
Comments and Recommendations  
Year Ended December 31, 2021**

**GENERAL COMMENTS**

**Current Year:**

2021-001: Deposits slips and receipt dates were not maintained to identify if deposits were made timely.

2021-002: Vendors paid between the quote and the bid threshold indicated that supporting documentation was not available to support purchases pursuant to the Local Public Contracts Law.

**Contracts and Agreements Required To Be Advertised for N.J.S. 40A:11-4:**

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

If the District has a purchasing agent who is qualified pursuant to subsection b. of Section 9 of P.L. 1971, c.198 (C.40A:11-9), the District may establish the bid threshold up to a maximum of \$44,000, effective July 2020. The District has entered into a shared service agreement with the Township of Woodbridge to utilize the Township's Qualified Purchasing Agent (QPA). The bid threshold approved for the Township's QPA is \$44,000.

The Governing Body of the District has the responsibility of determining whether the expenditures in any category will exceed \$44,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the District Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 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 furnishings 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 violations existed.

**Woodbridge Township Fire District No. 11  
Comments and Recommendations  
Year Ended December 31, 2021**

**RECOMMENDATIONS**

It is recommended that:

1. 2021-001: Deposit slips should be kept on-hand and the dates that checks/cash were received should be noted in a receipt log.
2. 2021-002: Supporting documentation be maintained for purchases made subject to quotes for compliance with the Local Public Contract Law.\*

**Status of Prior Year Recommendations**

A review was performed on all prior year's recommendations and corrective action was not taken on the prior year's recommendations as denoted with an asterisk (\*).

\* \* \* \* \*

**ACKNOWLEDGEMENT**

We received the complete cooperation of all officials of the District, and we greatly appreciate the courtesies extended to us.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

*PKF O'Connor Davies, LLP*

PKF O'CONNOR DAVIES, LLP  
Certified Public Accountants

*Gary W. Higgins*

Gary W. Higgins  
Registered Municipal Accountant  
RMA Number 405