

**FIRE DISTRICT NO. 3
TOWNSHIP OF EAST BRUNSWICK, NEW JERSEY**

REPORT OF AUDIT

DECEMBER 31, 2024

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FIRE DISTRICT NO. 3
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TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

2025 OFFICIALS IN OFFICE AND SURETY BONDS

<u>NAME</u>	<u>POSITION</u>	<u>AMT. OF SURETY BOND</u>
<u>BOARD OF COMMISSIONERS</u>		
Ryan Fenstermaker	Chairman	(A)
Thomas Duffy	Vice Chairman	(A)
David C. Wood	Treasurer	(A)
Scott M. Miller	Secretary/Clerk	(A)
David Methner	Assistant Clerk	(A)

(A) Atlantics Employers Insurance Company provides a Surety Bond in the amount of \$100,000

FINANCIAL SECTION

SOLITARIO & TIERNEY CPA PLLC

206 RIDGECREST AVENUE
STATEN ISLAND, NY 10312
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STCPAPLLC@GMAIL.COM

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Township of East Brunswick
Fire District No.3
East Brunswick, NJ 08816

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of East Brunswick Fire District No.3's basic financial statements as a whole. The supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Township of East Brunswick Fire District No.3, in the County of Middlesex, State of New Jersey.

The Supplemental Data and Schedules are the responsibility of management and were derived directly from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental data section is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplemental data section has not been subjected to the audit procedures applied on the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting by Government Auditing Standards

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

Solitario & Tierney, CPA, PLLC

Staten Island, New York
July 11, 2025

SOLITARIO & TIERNEY CPA PLLC

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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

Board of Fire Commissioners
Township of East Brunswick
Fire District No.3
East Brunswick, NJ 08816

We have audited the financial statements of the governmental activities and each major fund of the Township of East Brunswick Fire District No.3, in the County of Middlesex, State of New Jersey, as of and for the year ended December 31, 2024, and have issued our report thereon dated July 11, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of East Brunswick Fire District No.3 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Fire District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fire District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of East Brunswick Fire District No.3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, State of New Jersey.

This report is intended solely for the information and use of the management of the Fire District and the Bureau of Authority Regulation and is not intended to be and should not be used by anyone other than these specified parties.

Solitario & Tierney, CPA, PLLC

Staten Island, New York

July 11, 2025

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

As management of the Township of East Brunswick Fire District No.3, (hereafter referred to as the "Fire District") we offer readers of the Fire District's financial statements this narrative overview and analysis of the financial activities of the Fire District for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Fire District's financial performance as a whole; readers should also review the information furnished in the notes to the basic financial statements along with the financial statements to enhance their understanding of the Fire District's financial performance.

Financial Highlights

- The assets of the Fire District exceeded its liabilities at the close of the most recent year by \$2,537,298 (Net Position).
- As of the close of the current year, the Fire District's governmental funds reported combined ending fund balances of \$931,613, an increase of \$83,248 in comparison with the prior year.
- At the end of the current year, the committed fund balance for the capital fund was \$549,620, approximately a 18.94 percent increase from the prior year.
- At the end of the current year, the unassigned fund balance for the general fund was \$196,993, approximately a 5.25 percent increase from the prior year.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Fire District's basic financial statements. The Fire District's basic financial statements are comprised of three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

District-Wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the Fire District's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all the Fire District's assets and liabilities, with the difference between the two reported as the net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Fire District is improving or deteriorating.

The Statement of Activities presents information showing how the Fire District's net position changed during the most recent year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The two District-Wide Financial Statements distinguish functions of the Fire District that are principally supported by taxes and intergovernmental revenues (governmental activities). The activities of the Fire District include the following: fire suppression, fire rescue, fire inspections and investigations and fire prevention activities; all of which are provided to the citizens of the Township of East Brunswick.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fire District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Fire District constitute one fund type, governmental funds.

Governmental Funds. All of the Fire District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of 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 Fire District's general government operations and the basic services it provides, as listed above. Government fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the services that the Fire District provides to the citizens of the Township of East Brunswick.

The Fire District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and the debt service fund.

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.

Also, the Fire District adopts an annual budget in accordance with N.J.S.A. 40A:14:78-3. Budgetary comparison schedules have been provided to demonstrate compliance with the budget.

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 notes to financial statements are an integral part of the financial statements.

District-Wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the Fire District, assets exceeded liabilities by \$2,537,298 at the close of the most recent year.

The Fire District uses its capital assets to provide fire-fighting services to the citizens of the Township of East Brunswick; consequently, these assets are not available for future spending. Although the Fire District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO.3
NET POSITION
DECEMBER 31, 2024

Current and Other Assets	\$ 1,056,912
Capital Assets	<u>2,559,741</u>
Total Assets	\$ 3,616,653
Other Liabilities	\$ 111,355
Long-term Liabilities Outstanding	<u>968,000</u>
Total Liabilities	<u>\$ 1,079,355</u>
Net Position	<u>\$ 2,537,298</u>

Invested Capital Assets, Net of Related Debt	\$ 2,059,741
Designated for Debt Service	185,000
Committed to Capital Projects	549,620
Unassigned:	
Net of Related Debt	(468,000)
Unrestricted/Undesignated	<u>210,937</u>
Net Position	<u>\$ 2,537,298</u>

An additional portion of the Fire District's net position (\$734,620) represents resources that are subject to external restrictions on how they may be used.

Governmental Activities. The Statement of Activities shows the cost of the governmental activities program services and the charges for service and grants offsetting those services. Key elements of the increase in governmental activities are as follows:

Expenses

Operating Appropriations:	
Administration	\$ 36,488
Cost of Operations and Maintenance	611,351
LOSAP Contribution	35,000
Capital Appropriations	
Command Vehicle	53,118
Fire Apparatus	71,634
Interest on Long-term Debt	<u>20,566</u>

Total Program Expenses \$ 828,157

Program Revenues:	
Operating Grants & Contributions	<u>2,042</u>

Net Program Expenses \$ 826,115

General Revenues

Taxes:	
Property Taxes, Levied for General Purposes	\$ 693,259
Taxes Levied for Debt Service	342,566
Unrestricted Investment Earnings	25,611
Miscellaneous Income	<u>23,111</u>

Total General Revenues \$ 1,084,547

Increase in Net Position \$ 258,432

Net Position, January 1 2,254,186
Prior Period Adjustment (Net) 24,680

Net Position, December 31 \$ 2,537,298

Property taxes constituted 95.51% of revenue for government activities for the Fire District for the year 2023.

Financial Analysis of the Government Funds. As stated earlier, the Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund. The focus of the Fire District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Fire District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year and as a useful measure of permitting a governmental unit to maintain cash flow in anticipation of tax collections.

As of the end of the current year, the Fire District's governmental funds reported combined ending fund balances of \$931,613, an increase of \$83,248 in comparison with the prior year.

Of the combined ending fund balances of \$931,613, the unassigned fund balance constituted \$196,993, of which \$80,000 has been utilized on the 2025 budget. The remainder of the fund balances are committed funds totaling \$734,680. The assignment of these funds are as follows; \$185,000 represents funds designated for debt service, \$3,155 is the balance committed for the new '23 Pierce Enforcer and \$546,465 represents funds committed for future spending. These funds are not available for new spending during 2025 because they are restricted to planned future capital outlays that are subject to the approval of the voters of the Fire District.

The general fund is the main operating fund of the Fire District. At the end of the current year, the unassigned fund balance of the general fund was \$196,993, an increase of \$9,820 from last year.

The capital projects fund had a fund balance of \$549,620 at the end of the current year, an increase of \$87,530 from last year. This increase is mainly due to the net of \$71,634 spent on outfitting of the new '23 Pierce Enforcer, \$50,000 spent on purchasing the Command Vehicle, \$6,203 released to Surplus (unspent), and \$200,000 being Reserved for Future Capital Outlays during 2024.

The debt service fund had a fund balance of \$185,000 at the end of the current year, a decrease of \$14,102 from last year. This decrease is due to \$14,102 in funds released to Surplus (debt paid off), leaving a balance of \$185,000. This is for payment on the Bonds Payable with the Township of East Brunswick.

General Fund Budgetary Highlights

During the course of the 2024-year the Fire District modified its general fund budget in conformance with statute.

The key items of variance from the original budget are indicated above.

The final budgetary basis revenue estimate was \$1,138,825. The original budgetary estimate was the same.

During the year 2024, the Fire District budgeted \$1,035,825 for property taxes (local tax levy) and \$2,000 for state aid revenues (supplemental fire services grant).

The final budgetary basis expenditures appropriation estimate was \$1,138,825. The original budgetary estimate was the same.

Capital Assets and Debt Administration.

The Fire District's investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$2,559,741 (net of accumulated depreciation). This investment in capital assets includes capital improvements, fire apparatus/vehicles and firefighting equipment. The Fire District completed the majority of outfitting of the '23 Pierce Enforcer purchased in September 2023, purchased a New Command Vehicle in August 2024, and purchased various Firefighting Equipment during 2024. There was also a reduction in capital assets due to the removal of

outdated and damaged items which were either sold or discarded. This included a 1997 Pierce Pumper and various pieces of firefighting equipment totaling. All items were fully depreciated prior to 2024.

At the end of 2024 the Fire District had \$4,724,652 invested in capital improvements, fire apparatus/vehicles and firefighting equipment. The accumulated depreciation on these items was \$2,164,911.

***TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO.3
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
DECEMBER 31, 2024***

CAPITAL IMPROVEMENTS:	
RIVA AVE FIREHOUSE	\$ 1,958,104
FIRE APPARATUS/VEHICLES	531,547
FIREFIGHTING EQUIPMENT	<u>70,090</u>
 TOTAL CAPITAL ASSETS	 <u>\$ 2,559,741</u>

Additional information on the Fire District's capital assets can be found in Note 4 in the Notes to Financial Statements.

Long-Term Obligations

As of December 31, 2024, the Fire District had a total debt outstanding of \$968,000. This debt consists of two obligations, the first being an Inter-Local Service Agreement with the Township of East Brunswick. The first part of this agreement was activated when the Fire District took the first draw of \$500,000, in 2014, against a total agreed amount of \$2,000,000. The first draw was repaid in full as of December 31, 2019. The second draw of \$1,500,000, during 2017, of which there is still a balance due. This obligation was for the Capital Improvement Project for the Riva Avenue Firehouse. The second obligation is from the Sale of Bond Anticipation Notes in December, 2022, in the amount of \$780,000, for the purchase of a new Fire Apparatus in 2023. See Note 5 in the Notes to Financial Statements for additional information.

Economic Factors and Next Year's Budget

For the 2024 year the Fire District was able to sustain its budget through the district tax levy and other sources of revenue. Approximately 90 percent of total revenue is from the local tax levy, while the remainder is from other sources. The Board of Fire Commissioners adopted its 2025 budget on January 14, 2025, and the voters subsequently approved the budget at the annual fire district election held on February 15, 2025.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: David Wood, Treasurer, Township of East Brunswick - Fire District No.3, P.O. Box 491, East Brunswick, NJ 08816.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

STATEMENT OF NET POSITION
DECEMBER 31, 2024**ASSETS:**

Cash and Cash Equivalents	\$ 308,348
Restricted Assets:	
Cash and Cash Equivalents	734,620
Other Receivable	0
Prepaid Expenses	13,944
Capital Assets, net (Note 4)	<u>2,559,741</u>
 Total Assets	\$ 3,616,653

LIABILITIES:

Accounts Payable	96,717
Accounts Payable: LOSAP	14,638
Noncurrent Liabilities (Note 5)	
Due within One Year	306,000
Due beyond One Year	<u>662,000</u>
 Total Liabilities	\$ 1,079,355

NET POSITION:

Invested in Capital assets, Net of Related debt.	\$ 2,059,741
Designated for Debt Service	185,000
Committed for:	
Capital Outlay	546,465
Command Vehicle	0
Fire Apparatus	3,155
 Unassigned:	
Net of Related Debt	(468,000)
General	210,937
Capital	<u>-</u>
 Total Net Position	<u>\$ 2,537,298</u>

See accompanying Accountant's Report and Notes.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Expenses:

Operating Appropriations:

Administration	\$ 36,488
Cost of Operations and Maintenance	611,351
Length of Service Award Program (LOSAP)-	
Contribution (P.L. 1997, c. 388)	35,000
Capital Appropriations	
Command Vehicle	53,118
Fire Apparatus	71,634
Interest on Long-Term Debt	<u>20,566</u>

Total Program Expenses \$ 828,157

Program Revenues:

Charges for Services	\$ -
Operating Grants and Contributions	<u>2,042</u>

Net Program Expenses \$ 826,115

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	\$ 693,259
Taxes Levied for Debt Service	342,566
Unrestricted Investment Earnings	25,611
Miscellaneous Income	<u>23,111</u>

Total General Revenues \$ 1,084,547

Increase in Net Position \$ 258,432

Net Position, January 1 2,254,186
Prior Period Adjustment (Net) 24,680

Net Position, December 31 \$ 2,537,298

See accompanying Accountant's Report and Notes

FUND FINANCIAL STATEMENTS

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash	\$ 308,348	\$ 549,620	\$ 185,000	\$ 1,042,968
Amount to be Provided for Payment of Debt			968,000	968,000
Total Assets	<u>\$ 308,348</u>	<u>\$ 549,620</u>	<u>\$ 1,153,000</u>	<u>\$ 2,010,968</u>
LIABILITIES:				
Accounts Payable	\$ 111,355			\$ 111,355
Bonds Payable			\$ 468,000	468,000
Loan Payable: I/L/S/A (#2)			500,000	500,000
Total Liabilities	<u>\$ 111,355</u>	<u>\$ -</u>	<u>\$ 968,000</u>	<u>\$ 1,079,355</u>
FUND BALANCES:				
Designated for Debt Service			\$ 185,000	\$ 185,000
Committed:				
Future Capital Outlay		\$ 546,465		546,465
Fire Apparatus		3,155		3,155
Assigned:				
Subsequent Year's Expenditures	\$ 80,000			80,000
Unassigned:				
General	<u>116,993</u>			<u>116,993</u>
Total Fund Balances	<u>\$ 196,993</u>	<u>\$ 549,620</u>	<u>\$ 185,000</u>	<u>\$ 931,613</u>
Total Liabilities and Fund Balances	<u>\$ 308,348</u>	<u>\$ 549,620</u>	<u>\$ 1,153,000</u>	

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>TOTAL GOVERNMENTAL FUNDS</u>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Payments made to vendors for services that will benefit periods beyond fiscal year end that are recorded as expenditures at the time of payment in the governmental funds.	\$ 13,944
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,724,652 and the accumulated depreciation is \$2,164,911.	2,559,741
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(968,000)</u>
Net Position of Governmental Activities (A-1)	<u>\$ 2,537,298</u>

See accompany Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Interest	\$ 10,244	\$ 15,367	\$ -	\$ 25,611
Operating Grant Revenue	2,042			2,042
Unrestricted Fund Balance Utilized	100,000			100,000
Amount to be Raised by Taxation to Support the District Budget	693,259	-	342,566	1,035,825
Total Revenues	\$ 805,545	\$ 15,367	\$ 342,566	\$ 1,163,478
EXPENDITURES:				
Operating Appropriations:				
Operating & Administration	\$ 36,488	\$ -	\$ -	\$ 36,488
Operations & Maintenance	524,215			524,215
Capital Appropriations:				
Command Vehicle	3,118	50,000		53,118
Fire Apparatus		71,634		71,634
Reserve for Future Capital Outlays	200,000			200,000
Debt Service	-	-	342,566	342,566
Total Expenditures	\$ 763,821	\$ 121,634	\$ 342,566	\$ 1,228,021
Excess of Revenues Over Expend.	\$ 41,724	\$ (106,267)	\$ -	\$ (64,543)
Other Financing Sources (Uses):				
Misc. Revenue Not Anticipated	\$ 23,111	\$ -	\$ -	\$ 23,111
Committed for Future Capital Outlays		200,000		200,000
Other Financing Sources (Uses)	\$ 23,111	\$ 200,000	\$ -	\$ 223,111
Excess of Rev\Other Financing Sources Over Expenditures\Other Financing Uses	\$ 64,835	\$ 93,733	\$ -	\$ 158,568
Fund Balances, January 1	187,173	462,090	199,102	848,365
Utilization of Fund Balances	(100,000)	-		(100,000)
Adjustment to Fund Balance	44,985	(6,203)	(14,102)	24,680
Fund Balances, December 31, 2024	\$ 196,993	\$ 549,620	\$ 185,000	\$ 931,613

See accompanying Accountant's Report and Notes

**TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
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, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 158,568
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Utilization of Restricted Funds	0
Utilization of Unrestricted Funds	(100,000)
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 adjustment for capital outlay and depreciation for the period.	
Capital Outlay	114,493
Depreciation Expense	(220,189)
Proceeds from the Sales of Bonds are recorded as revenue and the disbursements of these proceeds on capital expenditures are recorded as expenditures for governmental funds. In the government-wide Statement of Activities proceeds from loans increases long-term liabilities and payments for capital projects expenditures increases fixed assets.	
Capital Projects Expenditures	0
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	306,000
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(440)
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 258,432</u>

See accompanying Accountant's Report and Notes

NOTES TO THE FINANCIAL STATEMENTS

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

Description of Reporting Entity - Fire District No.3 of the Township of East Brunswick is a political subdivision of the Township of East Brunswick, Middlesex County, New Jersey. It was formed in November of 1985 through the adoption of a Township ordinance. A board of five commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire Districts are governed by N.J.S.A. 40A: 14-70 et al. and are organized as a taxing authority charged with the responsibility of providing the resources necessary to provide firefighting services to the residents within its territorial location.

Component Units - GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* – an amendment of GASB Statements No. 14 and No. 34, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. As of December 31, 2024, it has been determined by the Fire District that no component units exist.

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

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

District-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Fire District as a whole. These statements include the financial activities of the government. The Statement of Net Position presents the financial condition of the governmental activities of the Fire District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Fire District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the Fire District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Fire District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Fire District.

Fund Financial Statements - During the year, the Fire District segregates transactions related to certain Fire District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Fire District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a single column. The Fire District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For fire districts, only one category of funds exists, that being governmental.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for but not limited to the acquisition or construction of major capital facilities such as firehouses and firefighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Measurement Focus

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

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

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

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (continued)

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on an accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities for the current year. For the Fire District, available means expected to be received within thirty days of the year-end.

Non-exchange transactions, in which the Fire District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its Fire District the entire balance of taxes in the amount voted upon or certified, prior to the end of the fire district year. The Fire District records the entire approved tax levy as revenue (accrued) at the start of the year since the revenue is both measurable and available. The Fire District is entitled to receive monies under the following established payment schedule: on or before April 1, an amount equaling 21.25% of all monies assessed; on or before July 1, an amount equaling 22.5% of all monies assessed; on or before October 1, an amount equaling 25% of all monies assessed; and on or before December 31, an amount equaling the difference between the total of all monies so assessed and the total amount of monies previously paid over. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Fire District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Fire District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: grants, fees, and rentals.

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

Budgets / Budgetary Control - The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et al. The fire commissioners must introduce and approve the annual budget not later than sixty days prior to the annual election. At introduction, the commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Fire District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

Amendments may be made to the Fire District budget in accordance with N.J.S.A. 40A:14-78.3. The budget may not be amended subsequent to its final adoption and approval.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for approval of the legal voters.

Fire districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted principally on the same basis of accounting utilized for the preparation of the Fire District's basic fund financial statements.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (continued)

Budgets / Budgetary Control (continued)

Amounts reported under the "final budget" on Exhibit C-1, D-3 and E-3 include modifications to the adopted budget that were made during the year as approved by the Board of Commissioners.

Cash, Cash Equivalents, and Investments - 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 certificates of deposit are recorded at cost plus accrued interest regardless of date of maturity. All other investments are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United State or of the State of New Jersey or in the New Jersey Cash management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments which may be purchased by New Jersey municipal units.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories are state or federally chartered financial institutions that are FDIC insured or by any other agency of the United States which insures deposits made in public depositories. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Inventories and Prepaid Expenses - Inventories are valued at cost, which approximates market. The costs are determined by a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the district-wide financial statements are recorded as expenditures when consumed rather than when purchased. As of December 31, 2024, no inventories exist.

Prepaid expenses recorded in the governmental fund types, which benefit future periods, are recorded as expenditures during the year of purchase. Prepaid expenses recorded on the district-wide financial statements represent payments made to vendors for services that will benefit periods beyond December 31, 2024.

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

Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the district-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The Fire District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-40 years
Firefighting Equipment	5 years
Vehicles	5-10 years

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts and N.J.S.A. 40A:14-85 to 87 governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus, equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or two percent (2%) of the assessed valuation of property, whichever is larger.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as committed when there are limitations imposed on their use either through the enabling legislation adopted by the Fire District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Fire District applies committed resources when an expense is incurred for purposes for which both committed and unassigned net assets are available.

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

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

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Restricted - The restricted fund balance classification includes amounts that can be spent only for specific purposes. Such restrictions or constraints are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Fire District's highest level of decision-making authority, which, for the Fire District, is the Board of Commissioners. Such formal action consists of an affirmative vote by the Board of Commissioners, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes, the specified use by taking the same type of action (resolution) is employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the Fire District's intent to be used for specific purposes but are neither restricted nor committed. The intent is expressed by the Board of Commissioners.

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

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

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

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 the funds of the Fire District the taxes assessed.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2: Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Fire District's deposits might not be recovered. Although the Fire District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:19-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Fire District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may be passed to the Fire District relative to the happening of a future condition. Such funds are classified as uninsured and collateralized. Of the Fire District's amount on deposit of \$1,042,968, as December 31, 2024, \$250,000 was insured under FDIC and the remaining balance of \$792,968 was collateralized under GUDPA.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2024, the District's cash accounts consisted of:

	<u>2024</u>	<u>2023</u>
TD Bank: Operating	\$ 1,041,818	\$ 957,043
TD Bank: Fines	<u>1,150</u>	<u>1,150</u>
Total:	\$ 1,042,968	\$ 958,193

The cash deposits held at financial institutions are classified as to credit risk by the following three categories described below:

<u>Category 1</u>	Deposits which are covered by FDIC, or collateralized by securities held by the Fire District or by its agent, in the Fire District's name.	\$ 250,000
<u>Category 2</u>	Deposits which are collateralized with securities held by the pledging public depository's trust department or agent, in the Fire District's name.	\$ 792,968
<u>Category 3</u>	Deposits which are not collateralized or insured.	\$ - 0 -

NOTE 3: Property Tax Levies

The following is a tabulation of Fire District assessed valuations, tax levies and property tax rates per \$100.00 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>
2024	\$ 230,889,200	\$1,035,825	\$.448
2023	230,691,200	915,280	.397
2022	229,305,573	864,674	.377
2021	228,350,238	856,364	.375
2020	229,005,567	855,837	.374

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4: Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance			Balance
	Jan. 1, 2024	Increases	Decreases	Dec. 31, 2024
Capital Assets Being Depreciated:				
Capital Improvements:				
Riva Ave Firehouse	\$ 2,235,693	\$ -	\$ -	\$ 2,235,693
Fire Apparatus/Vehicles	2,584,581	53,118	341,250	2,296,449
Firefighting Equipment	404,568	61,375	273,433	192,510
Total Capital Assets Being Depreciated	5,224,842	114,493	614,683	4,724,652
Accumulated Depreciation:				
Capital Improvements:				
Riva Ave Firehouse	221,696	55,893	-	277,589
Fire Apparatus/Vehicles	1,962,629	143,523	341,250	1,764,902
Firefighting Equipment	375,080	20,773	273,433	122,420
Total Accumulated Depreciation	2,559,405	220,189	614,683	2,164,911
Total Capital Assets Being Depreciated, Net	<u>2,665,437</u>	<u>(105,696)</u>	<u>-</u>	<u>2,559,741</u>
Capital Assets, net	<u><u>\$ 2,665,437</u></u>	<u><u>\$ (105,696)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,559,741</u></u>

* Depreciation expense was charged to governmental functions as follows:

Cost of Operations and Maintenance	<u><u>\$ 220,189</u></u>
Total Depreciation Expense	<u><u>\$ 220,189</u></u>

NOTE 5: Long-Term Obligations

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

	Principal Outstanding		Principal Outstanding	Due Within One Year
	Jan. 1, 2024	Increases	Decreases	Dec. 31, 2024
Loan Payable(#2)	\$ 650,000	\$ -	\$ 150,000	\$ 500,000
Bonds Payable	<u>624,000</u>	<u>-</u>	<u>156,000</u>	<u>468,000</u>
Total	<u><u>\$ 1,274,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 306,000</u></u>	<u><u>\$ 968,000</u></u>

Bonds Authorized but Not Issued - As of December 31, 2024, the Fire District had no authorized but not issued bonds.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5: Long-Term Obligations (continued)

Loan Payable(2): The Fire District entered into this Inter-Local Service Agreement with the Township of East Brunswick in 2014 for the Improvement of the Riva Avenue Firehouse. The amount approved for this agreement was \$2,000,000. The Fire District took its first draw in March of 2014 in the amount of \$500,000. It was paid off on May 14, 2019. In October of 2017 the Fire District took the second draw of the funds approved in the above noted Inter-Local Service Agreement, which was the loan balance, in the amount of \$1,500,000. It was suggested that the second draw be repaid in ten years with a principal amount of \$150,000 a year, plus interest charged annually and the cost of issuance, which varies each year. The first payment was due in October of 2018. The following schedule details the next four years of required payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2025	\$ 150,000	\$ 9,312
2026	\$ 150,000	\$ 4,074
2027	\$ 200,000	\$ 2,328

Bonds Payable – The Fire District entered into a Bond Anticipation Note agreement with the Township of East Brunswick for the purchase of a New Fire Apparatus (Pierce Enforcer Truck). The amount approved for this agreement was \$780,000, and they received these funds December 29, 2022. The Board received voter approval on April 20, 2021, Local Finance Board approval on December 8, 2021, and passed a Resolution to enter into this agreement on December 12, 2021. The terms of the BAN agreement require a principal payment to be made annually for five years in the amount of \$156,000 per year, plus interest charged annually, which will vary each year. The first payment is due in December of 2023. The following is a projected schedule for the next four years of required payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2025	\$ 156,000	\$ 18,120
2026	\$ 156,000	\$ 12,080
2027	\$ 156,000	\$ 6,040

NOTE 6: Risk Management

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

Property and Liability Insurance - The Fire District maintains commercial insurance coverage for property, liability, and surety bonds.

NOTE 7: Interfund Receivables and Payables

As of December 31, 2024, no inter-fund receivables or payables existed.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8: Fund Balances

Restricted

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

Reserved Fund – Subsequent Year's Expenditures – The Fire District has no funds appropriated and assigned on the 2025 Budget.

For Future Capital Outlays - These funds are committed for capital expenditures to be made in future years. When the Fire District desires to utilize these funds in their annual budget, a capital resolution must be passed by the Board of Fire Commissioners prior to any expenditure against a capital appropriation. As of December 31, 2024, the fund balance is \$546,465.

Committed

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Fire District's highest level of decision-making authority, which is the Board of Fire Commissioners. Specific commitments to the Fire District's fund balance are summarized as follows:

Fire Apparatus – As of December 31, 2023, the balance is \$3,155. is committed for the outfitting of the '23 Pierce Enforcer Pumper.

Assigned

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

General Fund – Subsequent Year's Expenditures – The Fire District has appropriated and assigned a portion of the general fund as of December 31, 2024; \$80,000 will be utilized on the 2025 Fire District Budget.

Unassigned

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

General Fund - As of December 31, 2024, \$116,993 of general fund balance was unassigned.

NOTE 9: Change in Accounting Principle and Reinstatement of Fund Balance

For the year ended December 31, 2024, the Fire District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures" and GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 34 creates new basic financial statements for reporting the Fire District's financial activities. The financial statements now include district-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type.

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9: Change in Accounting Principle and Reinstatement of Fund Balance (continued)

The beginning net asset amount for governmental activities reflects the following changes required by GASB Statement No. 34:

Fund Balances January 1, 2024	\$ 848,365
Prepaid Expenses	14,384
Capital Assets, net of Accumulated Depreciation	2,665,437
Long-term Liabilities	<u>(1,274,000)</u>
Governmental Activities Net Assets, January 1, 2024	<u>\$ 2,254,186</u>

NOTE 10: Length of Service Award Programs

The Fire District's Length of Service Awards Program ("LOSAP") was created by a Fire District Resolution adopted 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 voters of the Township of East Brunswick Fire District No. 3 approved the adoption of the Plan and the first year of eligibility for entrance into the Plan by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters.

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

As required by N.J.A.C. 5:30-14.48, the Fire District must have an annual review of its LOSAP performed in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>ORIGINAL BUDGET</u>	<u>BUDGET CHANGES/ TRFRS</u>	<u>FINAL BUDGET</u>	<u>2024 ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Miscellaneous Anticipated Revenues:					
Interest on Deposits	\$ 1,000	\$ -	\$ 1,000	\$ 10,244	\$ 9,244
Unrestricted Fund Balance Appropriated	<u>100,000</u>		<u>100,000</u>	<u>100,000</u>	-
Total Miscellaneous Anticipated Revenues	\$ 101,000	\$ -	\$ 101,000	\$ 110,244	\$ 9,244
Operating Grant Revenue					
Supplemental Fire Services Act	<u>2,000</u>		<u>2,000</u>	<u>2,042</u>	42
Total Revenues and Fund Balance Utilized	\$ 103,000	\$ -	\$ 103,000	\$ 112,286	\$ 9,286
Amount to be Raised by Taxation to Support the District Budget	<u>691,513</u>		<u>691,513</u>	<u>693,259</u>	1,746
Total Anticipated Revenues	\$ 794,513	\$ -	\$ 794,513	\$ 805,545	\$ 11,032

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>EXPENDITURES:</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET CHANGES/ TRFRS</u>	<u>FINAL BUDGET</u>	<u>2024 ACTUAL</u>		<u>VARIANCE</u>
				<u>2024 ACTUAL</u>	<u>VARIANCE</u>	
Operating & Administration:						
Salaries & Wages:	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -	
Commissioners	400	400	400	300	100	
Other Expenses:	3,000	3,000	3,000	2,654	346	
Dues & Subscriptions	1,500	1,500	1,500	-	1,500	
Election Expense	13,760	13,760	13,760	13,534	226	
Fire Prevention Program						
Office Expense/Services						
Total Administration	\$ 38,660	\$ -	\$ 38,660	\$ 36,488	\$ 2,172	
Cost of Operations and Maintenance:						
Other Expenses:						
Advertising	\$ 1,000	\$ -	\$ 1,000	\$ 976	\$ 24	
Equipment Acquisitions	80,000	38,000	118,000	116,892	1,108	
Supplemental Fire Service Grant	2,000		2,000	1,543	457	
Insurance	77,000		77,000	72,168	4,832	
Outside Vendor: Vol. Fire Company	227,853		227,853	227,853	-	
Physical Exams	5,000		5,000	5,000	-	
Professional Services	13,000		13,000	14,375	(1,375)	
Supplies/Fuel	9,000		9,000	6,605	2,395	
Training/Education	15,000		15,000	13,860	1,140	
Vehicle/Equip: Repair & Maintenance	70,000	(38,000)	32,000	21,553	10,447	
Contingency	21,000		21,000	8,390	12,610	
Total Cost of Operations and Maintenance	\$ 520,853	\$ -	\$ 520,853	\$ 489,215	\$ 31,638	
Length of Service Award Program	\$ 35,000		\$ 35,000	\$ 35,000	\$ -	
Total Operating Appropriations	\$ 594,513	\$ -	\$ 594,513	\$ 560,703	\$ 33,810	

See accompanying Accountant's Report and Notes

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TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	BUDGET CHANGES/ TRFRS	FINAL BUDGET	2024 ACTUAL	VARIANCE
Capital Appropriations:					
Command Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Future Capital Outlays	\$ 200,000		\$ 200,000	\$ 200,000	\$ 3,118
Total Capital Appropriations	\$ 200,000	\$ -	\$ 200,000	\$ 203,118	\$ 3,118
Total Expenditures	\$ 794,513	\$ -	\$ 794,513	\$ 763,821	\$ 36,928
Excess of Revenue Over Expenditures	\$ -	\$ -	\$ -	\$ 41,724	\$ 47,960
Other Financing Sources (Uses):					
Miscellaneous Revenue Not Anticipated	\$ -	\$ -	\$ -	\$ 23,111	\$ 23,111
Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 23,111	\$ 23,111
Excess of Revenues\Other Financing Sources Over Expenditures\Other Financing Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,835</u></u>	<u><u>\$ 64,835</u></u>
Fund Balances, January 1				187,173	
Utilization of Fund Balance				(100,000)	
Adjustment to Fund Balance				44,985	
Fund Balances, December 31				<u><u>\$ 196,993</u></u>	

See accompanying Accountant's Report and Notes

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OTHER SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

CAPITAL PROJECTS FUND

BALANCE SHEET

DECEMBER 31, 2024

ASSETS:

Cash	\$ 549,620
Total Assets	<u>\$ 549,620</u>

LIABILITIES AND FUND BALANCES:LIABILITIES:

Total Liabilities	\$ -
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FUND BALANCES:

Fire Apparatus: Pierce Enforcer	3,155
Committed for Future Capital Outlay	<u>546,465</u>
Total Fund Balance	\$ 549,620
Total Liabilities and Fund Balances	<u>\$ 549,620</u>

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
DECEMBER 31, 2024

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Dec. 31, 2024</u>
Capital Improvements:				
Riva Ave Firehouse	\$ 2,235,693	\$ -	\$ -	\$ 2,235,693
FireApparatus/Vehicles	2,584,581	53,118	341,250	2,296,449
Firefighting Equipment	404,568	61,375	273,433	192,510
Total Assets	<u>\$ 5,224,842</u>	<u>\$ 114,493</u>	<u>\$ 614,683</u>	<u>4,724,652</u>

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	BUDGET CHANGES/ TRFRS	FINAL BUDGET	2024 ACTUAL	VARIANCE
REVENUES:					
Miscellaneous Anticipated Revenues:					
Interest on Deposits	\$ -	\$ -	\$ -	\$ 15,367	\$ 15,367
Restricted Fund Balance Appropriated					
Total Miscellaneous Anticipated Revenues	\$ -	\$ -	\$ -	\$ 15,367	\$ 15,367
EXPENDITURES:					
Capital Appropriations:					
Command Vehicle	\$ -	\$ -	\$ -	\$ 50,000	\$ (50,000)
Fire Apparatus				71,634	(71,634)
Total Capital Appropriations	\$ -	\$ -	\$ -	\$ 121,634	\$ (121,634)
Excess of Revenue Over Expenditures	\$ -	\$ -	\$ -	\$ (106,267)	\$ (106,267)
Other Financing Sources (Uses):					
Committed for Future Capital Outlay	\$ -	\$ -	\$ -	200,000	200,000
Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Excess of Revenues\Other Financing Sources Over Expenditures\Other Financing Uses	\$ -	\$ -	\$ -	\$ 93,733	\$ 93,733
Fund Balances, January 1				462,090	
Utilization of Fund Balance				(6,203)	
Fund Balances, December 31				\$ 549,620	

See accompanying Accountant's Report and Notes

LONG TERM DEBT

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2024ASSETS:

Amount to be Provided for Payment of Debt	\$ 968,000
Total Assets	\$ <u>968,000</u>

LIABILITIES AND FUND BALANCES:LIABILITIES:

Bonds Payable: Township of East Brunswick	\$ 468,000
Loan Payable: Inter-Local Service Agreement (#2)	<u>500,000</u>
Total Liabilities	\$ 968,000

FUND BALANCES:

Total Fund Balance	\$ -
Total Liabilities and Fund Balances	<u>\$ 968,000</u>

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

GENERAL LONG-TERM DEBT ACCOUNT GROUP
 SCHEDULE OF CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Long-Term Debt:				
Bond Payable: Twp of E.B.	\$ 624,000	\$ -	\$ (156,000)	\$ 468,000
Loan Payable: I/L/S/A (#2)	<u>650,000</u>	<u>-</u>	<u>(150,000)</u>	<u>500,000</u>
	<u><u>\$ 1,274,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (306,000)</u></u>	<u><u>\$ 968,000</u></u>

See accompanying Accountant's Report and Notes

TOWNSHIP OF EAST BRUNSWICK FIRE DISTRICT NO. 3

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	ORIGINAL BUDGET	BUDGET CHANGES/ TRFRS	FINAL BUDGET	2024 ACTUAL	VARIANCE
REVENUES:					
Fire District Tax Levy	\$ 344,312	\$ -	\$ 344,312	\$ 342,566	\$ (1,746)
EXPENDITURES:					
Principal Payments:					
Bonds Payable	\$ 172,000	\$ -	\$ 172,000	\$ 172,000	\$ -
Loan Payable: Inter-Local Agrmt (#2)	150,000		150,000	150,000	
Interest Payments:					
Bonds Payable	13,000		13,000	13,000	
Loan Payable: Inter-Local Agrmt (#2)	9,312		9,312	7,566	1,746
Total Expenditures	<u>\$ 344,312</u>	<u>\$ -</u>	<u>\$ 344,312</u>	<u>\$ 342,566</u>	<u>\$ 1,746</u>
Excess of Expend. Over Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues\Other Financing Sources Over Expenditures\Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances, January 1				199,102	
Adjustment to Fund Balance				(14,102)	
Fund Balances, December 31				<u>\$ 185,000</u>	

See accompanying Accountant's Report and Notes

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**TOWNSHIP OF EAST BRUNSWICK
FIRE DISTRICT NO.3**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Schedule of Financial Statement Findings

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

None.

**TOWNSHIP OF EAST BRUNSWICK
FIRE DISTRICT NO.3**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
RECOMMENDATIONS AS PREPARED BY MANAGEMENT**

Financial Statement Findings

This section identifies the status of prior year findings related to the financial statements and Federal and State awards that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and the State of New Jersey Circular 97-08-OMB.

None.

APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the Fire District officials during the course of the audit.

Respectfully submitted,

Solitario & Tierney, CPA, PLLC

Solitario & Tierney, CPA, PLLC
Certified Public Accountants