

DELRAN TOWNSHIP FIRE DISTRICT No. 1

Financial Statements

For the year ended December 31, 2020

(With Independent Auditor's Report thereon)

DELRAN TOWNSHIP FIRE DISTRICT No. 1
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
For the year ended December 31, 2020
(With Independent Auditor's Report thereon)

CONTENTS

	Page
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control over Financial Reporting an on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
Management's Discussion and Analysis	7-9
Government-Wide Statement of Net Position	11
Government-Wide Statement of Activities	12
Governmental Funds Balance Sheet	13
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	14
Governmental Funds Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance in The Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	17-35
Required Supplementary Information:	
General Fund Budgetary Comparison Schedule	37-38
Debt Service Fund Budgetary Comparison Schedule	39
Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	40
Schedule of District Contributions – PERS	41
Notes to the Required Supplementary Information	42
Supplementary Information:	
Schedule of Serial Bonds Payable	43
Schedule of Obligations Under Capital Leases	44
Schedule of Financial Statement Findings	45
Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	46
Acknowledgment	47

This page intentionally left blank.



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Delran Township Fire District No. 1
Delran, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of each major fund and the aggregate remaining fund information of the Delran Township Fire District No. 1, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District'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 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 District's preparation and fair 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 opinions. 47

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delran Township Fire District No. 1, County of Burlington, State of New Jersey, as of December 31, 2020, 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 other required supplementary 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 opinions on the financial statements that collectively comprise the Delran Township Fire District No. 1's basic financial statements. The accompanying other supplementary information as listed in the table of contents, is presented for purposes of additional analysis as required by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements.

The accompanying long-term debt schedules of serial bonds payable and obligations under capital leases 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. 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying long-term debt schedules or serial bonds payable and obligations under capital leases is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021 on our consideration of the Delran Township Fire District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township Fire District No. 1's internal control over financial reporting and compliance.

Holt McNally & Assoc.

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Medford, New Jersey
September 24, 2021

This page intentionally left blank.



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

Board of Fire Commissioners
Delran Township Fire District No. 1
Delran, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities of each major fund and the aggregate remaining fund information of the Delran Township Fire District No. 1, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Delran Township Fire District No. 1's basic financial statements, and have issued our report thereon dated September 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Delran Township Fire District No. 1'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 Delran Township Fire District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Delran Township Fire District No. 1's internal control.

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

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

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • F: 609.257.0008

www.hmacpainc.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delran Township Fire District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Delran Township Fire District No. 1's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Delran Township Fire District No. 1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holt McNally & Assoc.

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Medford, New Jersey
September 24, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

UNAUDITED

The District provides fire protection services to a 7.5 square mile area of Delran Township. The population of the District is approximately 18,000. The District is a separate government body known as a Special District and is governed by an elected board of Commissioners. Fire districts are governed by *N.J.S.A. 40A:14-70* et al. and organized as a taxing authority charged with the responsibility of providing resources necessary to provide fire-fighting services to the residents within its territorial location. This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management's discussion and analysis; the basic financial statements consisting of government-wide financial statements, and fund financial statements (governmental); notes to the financial statements; and required supplementary information.

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

Government-wide financial statements are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position (Exhibit A-1) and Statement of Activities (Exhibit A-2). The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term of the District. The Statement of Activities reports all revenue and expenses during the year, regardless of when cash is received or paid. This form of reporting is new this fiscal year and will continue in the future.

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities, traces the change in fund balances to the change in net position report in Exhibit B-3.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities as the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term in-flows and out-flows of spendable resources, as well as on balances of spendable resources available at the end of the year.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund and debt service fund all of which are considered major funds.

Condensed Government-wide Financial Data

	2020	2019
Unrestricted Current Assets	\$ 2,301,234	\$ 1,994,817
Capital Assets, Net of Accumulated Depreciation	7,153,987	7,210,036
Deferred Outflow of Resources	<u>36,037</u>	<u>58,639</u>
 Total Assets and Deferred Outflow of Resources	 <u>9,491,258</u>	 <u>9,263,492</u>
 Current Liabilities	 285,481	 508,450
Noncurrent Liabilities	1,756,085	1,802,671
Deferred Inflow of Resources	<u>169,601</u>	<u>178,068</u>
 Total Liabilities and Deferred Inflow of Resources	 <u>2,211,167</u>	 <u>2,489,189</u>
 Net Position:		
Invested in Capital Assets, Net of Accumulated Depreciation & Related Debt	5,770,127	5,425,594
Restricted Net Position	495,009	430,714
Unrestricted Net Position	<u>1,014,955</u>	<u>917,995</u>
 Total Net Position	 <u>7,280,091</u>	 <u>6,774,303</u>
 Total Liabilities and Net Position	 <u>\$9,491,258</u>	 <u>\$9,263,492</u>
 Expenditures Governmental Activities, Net of Program Revenues	 \$(1,960,083)	 \$ (1,723,024)
General Revenues:		
District Taxes	2,264,811	2,265,471
Permit Fees & Penalties	30,110	23,311
Interest Income	2,140	1,619
Supplemental Fire Services	5,162	5,162
Miscellaneous Revenue	<u>163,648</u>	<u>13,408</u>
 Total General Revenues	 <u>2,465,871</u>	 <u>2,308,971</u>
 Change in Net Position	 <u>\$ 505,788</u>	 <u>\$ 585,947</u>

Financial Analysis of the District as a Whole

The District's net position increased by \$505,788 for the fiscal year ended December 31, 2020, or approximately 7.46%, to a total of \$7,280,091. Of the \$7,280,901 in net position, \$5,770,127 is invested in capital assets (net of accumulated depreciation and related debt).

Budgetary Highlights

Total General Fund expenditures were \$87,632 less than the amount of the modified budget. Total Capital Projects Fund expenditures were \$295 less than the amount of the modified budget.

Capital Assets

As of December 31, 2020, the District has invested \$11,844,027 in a broad range of capital assets including a new building, fire fighting vehicles, and equipment.

Capital Leases and Bonds Payable

During the year ended December 31, 2020, the District made payments on Capital Leases of \$110,831 and also paid off \$257,000 in principal towards the balance of the 2014 Refunding Bonds.

Economic Factors and Next Year's Budget

The District's main source of revenue is property taxes. The District expects property tax revenues to decrease by 1.40% to \$2,233,087 for the fiscal year ending December 31, 2021.

Budgeted expenditures are expected to decrease by 4.00% to \$2,444,377 for the fiscal year ending December 31, 2021.

Contacting the District's Financial Management

This financial statement is designed to provide a general overview of the District's finances. If you have questions about this financial statement or need additional financial information, contact the District's office at 900 Chester Avenue, P.O. Box 1007, Delran, New Jersey 08075.

This page intentionally left blank.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

EXHIBIT A-1

	GOVERNMENTAL ACTIVITIES
	DECEMBER 31, 2020
ASSETS	
Cash and Cash Equivalents (Note 3)	\$ 1,735,031
Accounts Receivable (Note 6)	566,203
Capital Assets, net (Note 4)	<u>7,153,987</u>
Total Assets	<u>9,455,221</u>
DEFERRED OUTFLOW OF RESOURCES	
Related to Pensions (Note 7)	<u>36,037</u>
Total Deferred Outflow of Resources	<u>36,037</u>
Total Assets and Deferred Outflow of Resources	<u>9,491,258</u>
LIABILITIES	
Accounts Payable:	
Related to Pensions	24,970
Other	237,834
Accrued Interest	22,677
Noncurrent Liabilities (Note 5):	
Due Within One Year	414,617
Due Beyond One Year	<u>1,341,468</u>
Total Liabilities	<u>2,041,566</u>
DEFERRED INFLOW OF RESOURCES	
Related to Pensions (Note 7)	<u>169,601</u>
Total Deferred Inflow of Resources	<u>169,601</u>
NET POSITION	
Net Investment in Capital Assets	5,770,127
Restricted Net Position:	
Capital	495,009
Unrestricted (Deficit)	<u>1,014,955</u>
Total Net Position	<u>\$ 7,280,091</u>

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

EXHIBIT A-2

			<u>GOVERNMENTAL ACTIVITIES</u>
	EXPENSES	CHARGES FOR SERVICES	DECEMBER 31, 2020
Governmental Activities:			
Fire Protection:			
Administration	\$ 269,612	\$ -	\$ (269,612)
Cost of Operations	1,391,512	37,064	(1,354,448)
Interest on Long-Term Liabilities	69,269	-	(69,269)
Depreciation	266,754	-	(266,754)
Total Governmental Activities	1,997,147	37,064	(1,960,083)
General Revenues:			
District Tax			2,264,811
Permit Fees & Penalties			30,110
Interest Income			2,140
Supplemental Fire Services			5,162
Miscellaneous			163,648
Total General Revenues			2,465,871
Changes in Net Position			505,788
Net Position Beginning of the Year			6,774,303
Net Position, End of the Year			<u><u>\$ 7,280,091</u></u>

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

10001

DELRAN TOWNSHIP FIRE DISTRICT No. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	GENERAL FUND	CAPITAL PROJECTS	TOTAL DECEMBER 31, 2020
Assets:			
Cash	\$ 1,240,022	\$ 495,009	\$ 1,735,031
Fire Taxes Receivable	566,203	-	566,203
Total Assets	<u>\$ 1,806,225</u>	<u>\$ 495,009</u>	<u>\$ 2,301,234</u>
Liabilities & Fund Balances:			
Liabilities:			
Accounts payable	\$ 237,834	\$ -	\$ 237,834
Total Liabilities	<u>237,834</u>	<u>-</u>	<u>237,834</u>
Fund Balances:			
Restricted for:			
Capital Projects	-	495,009	495,009
Designated for Subsequent			
Year's Expenditures	145,000	-	145,000
Unassigned	<u>1,423,391</u>	<u>-</u>	<u>1,423,391</u>
Total Fund Balances	<u>1,568,391</u>	<u>495,009</u>	<u>2,063,400</u>
Total Liabilities & Fund Balances	<u>\$ 1,806,225</u>	<u>\$ 495,009</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,844,027 and the accumulated depreciation is \$4,690,040.	7,153,987
Accrued interest not recorded in current financial statements	(22,677)
Deferred outflows and inflows of resources and accounts payable related to pension are applicable to future reporting periods and, therefore, are not reported in the funds	(158,534)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported as liabilities in the funds.	<u>(1,756,085)</u>
	<u>\$ 7,280,091</u>

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	DECEMBER 31, 2020
Miscellaneous Revenues:				
Permit Fees & Penalties	\$ 30,110	\$ -	\$ -	\$ 30,110
Registration Fees	37,064	-	-	37,064
Interest on Investments	2,140	-	-	2,140
Other	163,648	-	-	163,648
Supplemental Fire Services	5,162	-	-	5,162
Total Miscellaneous Revenues	238,124	-	-	238,124
Total Revenues	238,124	-	-	238,124
Amount to be Raised by Taxation to Support the District Budget	1,547,843	275,000	441,968	2,264,811
Total Revenues	1,785,967	275,000	441,968	2,502,935
Expenditures:				
Administration	269,612	-	-	269,612
Cost of Operations	1,454,353	-	-	1,454,353
Capital Outlay	-	210,705	-	210,705
Debt Service	-	-	441,968	441,968
Total Expenditures	1,723,965	210,705	441,968	2,376,638
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	62,002	64,295	-	126,297
Fund Balance, January 1	1,506,389	430,714	-	1,937,103
Fund Balance, December 31	\$ 1,568,391	\$ 495,009	\$ -	\$ 2,063,400

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES IN THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 126,297

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

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 capital outlays exceed depreciation in the period.

Capital Outlay	\$ 210,705	
Depreciation Expense	<u>(266,754)</u>	(56,049)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

4,868

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

367,831

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

30,090

Amortization of premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and recaptured over time in the statement of activities.

32,751

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 505,788

This page intentionally left blank.

**DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1. GENERAL INFORMATION

A. Description of Reporting Entity

Delran Township Fire District No.1 is a political subdivision of the Township of Delran, County of Burlington, State of New Jersey. A board of five commissioners oversees all of the operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of February.

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

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. District Officials

The District is governed by a board of five commissioners. The following were in office at December 31, 2020:

<u>Officials</u>	<u>Term Expires</u> <u>March</u>
Charles S. Kendra, Sr. - President	2021
Joseph Parento III - Vice President	2022
James C. Bauer - Secretary	2020
James T. Turcich - Treasurer	2021
Anthony Quiciari – Assistant Treasurer	2022

C. Accounting Records

The official accounting records of Delran Township Fire District No. 1 are maintained in the office of the District.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. GENERAL INFORMATION (continued)

D. Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

E. Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units and GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The District had no component units as of for the year ended December 31, 2020.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

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

B. Fund Accounting

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types."

Governmental Funds:

General Fund

The General Fund is the general operating fund of the Fire District and is used to account for the inflows and outflows of 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.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as 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 of the ballot either during the annual election or at a special election.

Debt Service Fund

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

C. District Wide Financial Statements

District Wide Financial Statements

The district-wide financial statements (A-1 and A-2) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. District Wide Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

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

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

D. Basis of Accounting

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

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

In its accounting and financial reporting, Delran Township Fire District No. 1 follows the pronouncements of the Governmental Accounting Standards Board (GASB).

E. Budgets and Budgetary Accounting

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 adopt the annual budget no 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.

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 on principally the same basis of accounting utilized for the preparation of the Fire Districts general-purpose financial statements.

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, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. There were no encumbrances as of December 31, 2020.

G. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Fire districts are required by N.J.S.A. 40A: 5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments that may be purchased by fire districts.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash and Cash Equivalents (continued)

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If 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.

H. Prepaid Expenses

Prepaid expenses that benefit future periods are recorded as an expenditure during the year of purchase.

I. Debt Limitation

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

J. Capital Assets

Capital assets, which include land, building, improvements and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District has set capitalization thresholds for reporting capital assets of \$2,000.

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Building and Improvements	5 to 40 Years
Equipment	5 to 15 Years

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Inventory, Materials and Supplies

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

L. Interfund Receivable/Payable

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

M. 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 qualifying expenditures are incurred.

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

N. Fire District Taxes

Upon 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 realized 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 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 equal to the difference between the total of all monies assessed and the total of monies previously paid over.

O. Deferred Outflows and Deferred Inflows of Resources

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

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

P. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Pension (continued)

plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, Delran Township Fire District No. 1 of the Township of Delran classifies governmental fund balances as follows:

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

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Use of Estimates

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

T. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2020:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Fair Value Measurement

The District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

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

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

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values. Subsequent to initial recognition, the District may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

The following methods and assumptions were used by the District in estimating the fair value of its financial instruments:

Fixed Account Investment Contract: Valued at the contract's market value as reported by the insurance company.

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

The District does not currently hold any investments.

V. Subsequent Events

Delran Township Fire District No.1 has evaluated subsequent events occurring after December 31, 2020 through the date of September 24, 2021, which is the date the financial statements were available to be issued. No items have come to the attention of the District that would require disclosure.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3. CASH

The Fire District is governed by the deposit limitations of New Jersey state law. The deposits held at December 31, 2020, and reported at fair value are as follows:

	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 1,735,031</u>
 Total Deposits	 <u>\$ 1,735,031</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2020, the District's bank balance of \$1,774,136 was insured or collateralized as follows:

Insured	\$ 404,662
Collateralized in the District's Name	
Under GUDPA	<u>1,369,474</u>
 Total	 <u>\$ 1,774,136</u>

NOTE 4. CAPITAL ASSETS

Fixed assets as of December 31, 2020 consisted of the following:

	<u>Beginning Balance</u> <u>December 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u> <u>December 31, 2020</u>
Land	\$ 343,900	\$ -	\$ -	\$ 343,900
Vehicles	4,140,539	-	-	4,140,539
Building	6,139,377	92,419	-	6,231,796
Equipment	<u>1,009,506</u>	<u>118,286</u>	<u>-</u>	<u>1,127,792</u>
 Totals at Historical Cost	 <u>11,633,322</u>	 <u>210,705</u>	 <u>-</u>	 <u>11,844,027</u>
 Less: accumulated depreciation	 <u>4,423,286</u>	 <u>266,754</u>	 <u>-</u>	 <u>4,690,040</u>
 Total	 <u>\$ 7,210,036</u>	 <u>\$ (56,049)</u>	 <u>\$ -</u>	 <u>\$ 7,153,987</u>

N.J.S.A. 40A: 14-84 governs the procedures for the acquisition of property and equipment for the Fire Districts, and the *N.J.S.A. 40A: 14-85-87* governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus, equipment, land, and buildings to house such property in an amount not exceeding five mills on the dollar of the least 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 of the assessed valuation of property, whichever is larger.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5. NONCURRENT LIABILITIES

During the fiscal year ended December 31, 2020 the following changes occurred in noncurrent liabilities:

	Beginning Balance <u>December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>December 31, 2020</u>	Due Within <u>One Year</u>
Capital Leases Payable	\$ 224,698	\$ -	\$ 110,831	\$ 113,867	\$ 113,867
Premium on Bonds	148,744	-	32,751	115,993	32,750
Bonds Payable	1,411,000	-	257,000	1,154,000	268,000
Net Pension Liability	418,811	-	46,586	372,225	-
Totals	<u>\$ 2,203,253</u>	<u>\$ -</u>	<u>\$ 447,168</u>	<u>\$ 1,756,085</u>	<u>\$ 414,617</u>

A. Bonds Payable:

During 2014, voters of the District approved a Bond Refunding Ordinance amounting to \$2,638,000 for the refunding of the 2004 General Obligation Bonds used for the construction of firehouses and purchase of additional fire apparatus. Principal and interest due on outstanding Bonds is as follows:

Fiscal Year Ended	Principal	Interest	Total
2021	\$ 268,000	\$ 57,700	\$ 325,700
2022	281,000	44,300	325,300
2023	295,000	30,250	325,250
2024	<u>310,000</u>	<u>15,500</u>	<u>325,500</u>
Total	<u>\$ 1,154,000</u>	<u>\$ 147,750</u>	<u>\$ 1,301,750</u>

B. Capital Leases Payable:

The following is a summary of property held under capital leases:

2015 Pierce Pumper

The following is a schedule of future minimum lease payments under the capital lease for the above items at December 31, 2020:

Fiscal Year Ended	Principal	Interest	Total
2021	\$ 113,867	\$ 3,120	\$ 116,987
Total	<u>\$ 113,867</u>	<u>\$ 3,120</u>	<u>\$ 116,987</u>

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 consisted of intergovernmental accounts. All receivables are considered collectible in full due to the budgetary control of New Jersey governmental entities. Accounts receivable in the District's governmental activities as of December 31, 2020 consisted of the following:

Governmental Funds

General Fund	Total
Tax Levy Receivable	\$ 566,203
Total	<u>\$ 566,203</u>

NOTE 7. PENSIONS PLANS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the District reported a liability of \$372,225 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 0.00228%, which was a decrease of 0.00004% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District recognized full accrual pension expense of (\$7,481) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 6,778	\$ 1,316
Changes of Assumptions	12,075	155,854
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,723	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	<u>4,461</u>	<u>12,431</u>
	<u>\$ 36,037</u>	<u>\$ 169,601</u>

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2021	\$ (52,619)
2022	(49,929)
2023	(31,207)
2024	(16,939)
2025	<u>17,130</u>
	<u><u>\$ (133,564)</u></u>

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
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 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 472,254	\$ 372,225	\$ 292,758

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7. PENSIONS PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at December 31, 2020 and December 31, 2019:

	<u>Balances at December 31, 2020 and December 31, 2019</u>	
	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 36,037	\$ 58,639
Deferred Inflows of Resources	169,601	178,068
Net Pension Liability	372,225	418,811
District's portion of the Plan's total Net Pension Liability	0.00228%	0.00232%

NOTE 8. FUNDING

The activities of the Board of Commissioners are primarily funded by fire tax on the property owners within the Fire District, as provided for by state statute. For the year ended December 31, 2020, the Delran Township Fire District No. 1 tax rate was \$.159 per \$100 of assessed valuation.

NOTE 9. 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.

NOTE 10. FUND BALANCE

General Fund – Of the \$1,568,391 General Fund balance at December 31, 2020, \$1,423,391 is unassigned and \$145,000 is designated for subsequent years expenditures.

Capital Projects Fund – Of the \$495,009 Capital Projects Fund balance at December 31, 2020, \$495,009 is restricted for capital projects.

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

This page intentionally left blank.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
BUDGETARY COMPARISON SCHEDULE -
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL BUDGETARY BASIS	POSITIVE / (NEGATIVE) VARIANCE
Miscellaneous Revenues:				
Permit Fees & Penalties	\$ 1,000	\$ 1,000	\$ 30,110	\$ 29,110
Registration Fees	43,215	43,215	37,064	(6,151)
Interest on Investments	1,000	1,000	2,140	1,140
Other	14,433	14,433	163,648	149,215
Supplemental Fire Services	5,162	5,162	5,162	-
Total Miscellaneous Revenues Anticipated	64,810	64,810	238,124	173,314
Amount to be Raised by Taxation to Support the District Budget	1,822,787	1,822,787	1,822,843	56
Total Revenues	1,887,597	1,887,597	2,060,967	173,370
Operating Appropriations:				
Administration:				
Salaries & Wages	122,000	124,000	124,000	-
Employee Benefits	23,862	23,862	23,862	-
Election	1,500	1,500	785	715
Insurance Premiums	52,000	53,500	53,242	258
Membership Dues & Subscriptions	2,500	2,500	1,489	1,011
Office Supplies & Postage	10,000	10,000	2,910	7,090
Office Operations	7,500	7,550	7,544	6
Advertising	3,000	3,000	986	2,014
Utilities	20,000	5,000	1,458	3,542
Professional Services	75,000	35,000	33,621	1,379
Office Rent	14,500	14,500	11,245	3,255
Promotion	5,000	5,000	-	5,000
Contingent Expenses	10,000	10,000	8,470	1,530
Total Administration	346,862	295,412	269,612	25,800
Cost of Operations:				
Salaries & Wages	267,750	116,200	92,500	23,700
Employee Benefits	138,214	138,214	117,006	21,208
Maintenance & Repair	120,000	322,000	321,642	358
Membership Dues & Subscriptions	3,000	3,000	2,873	127
Rental Charges	30,000	30,000	30,000	-
Utilities	90,000	94,000	93,905	95
Professional Services	50,000	65,500	65,292	208
Other Operating Materials & Supplies	131,623	126,623	125,727	896
Personal Protective Equipment	100,000	142,000	141,863	137
Fire Hydrant Rentals or Services	172,433	183,933	183,760	173
Training & Education	40,000	49,750	49,641	109
Pagers	10,000	10,000	8,985	1,015
Uniform & Personal Equipment	15,000	15,250	15,202	48
Aid to Emergency Squad	35,500	35,500	35,500	-
F/F Reimbursement	130,000	130,000	125,370	4,630

DELRAN TOWNSHIP FIRE DISTRICT No. 1
BUDGETARY COMPARISON SCHEDULE -
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL BUDGETARY BASIS	POSITIVE / (NEGATIVE) VARIANCE
Cost of Operations (continued):				
Contingent Expenses	10,000	5,000	2,275	2,725
Uniform Fire Safety Act:				
Salary and Wages	43,215	43,215	39,873	3,342
Employee Benefits	-	2,000	1,935	65
Other Expenses	14,000	4,000	1,004	2,996
Total Cost of Operations	1,400,735	1,516,185	1,454,353	61,832
Capital Outlay				
Capital Improvements	275,000	211,000	210,705	295
Total Capital Outlay	275,000	211,000	210,705	295
Total Expenditures	2,022,597	2,022,597	1,934,670	87,927
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	(135,000)	(135,000)	126,297	261,297
Fund Balances, January 1	1,937,103	1,937,103	1,937,103	-
Fund Balances, December 31	\$ 1,802,103	\$ 1,802,103	\$ 2,063,400	\$ 261,297

/
 .00
 .00
 .00

DELRAN TOWNSHIP FIRE DISTRICT No. 1
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE -
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

REVENUES	ORIGINAL BUDGET	ADJUSTED FINAL BUDGET	ACTUAL	POSITIVE / (NEGATIVE) VARIANCE
Amount to be Raised by Taxation to Support the District Budget	\$ 442,024	\$ 442,024	\$ 441,968	\$ (56)
Total Revenues	442,024	442,024	441,968	(56)
EXPENDITURES				
Principal Payments:				
Serial Bonds	257,000	257,000	257,000	-
Capital Leases	110,931	110,887	110,831	56
Interest Payments:				
Serial Bonds	67,980	67,980	67,980	-
Capital Leases	6,113	6,157	6,157	-
Total Expenditures	442,024	442,024	441,968	56
Excess/ Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	-	-	-	-
Fund Balances, January 1	-	-	-	-
Fund Balances, December 31	\$ -	\$ -	\$ -	\$ -

DELRAN TOWNSHIP FIRE DISTRICT No. 1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00228%	0.002332%	0.00235%	0.002332%	0.00234%	0.00227%	0.00299%	0.00291%
District's proportionate share of the net pension liability (asset)	\$ 372,225	\$ 418,811	\$ 463,121	\$ 541,081	\$ 693,300	\$ 508,501	\$ 559,580	\$ 556,051
District's covered-employee payroll	\$ 165,172	\$ 165,172	\$ 165,172	\$ 165,172	\$ 163,778	\$ 161,028	\$ 156,256	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	225.36%	253.56%	280.39%	327.59%	423.32%	315.78%	358.12%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.27%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
SCHEDULE OF AUTHORITY CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 24,970	\$ 22,609	\$ 23,396	\$ 21,533	\$ 20,796	\$ 19,475	\$ 24,639	\$ 21,922
Contributions in relation to the contractually required contribution	24,970	22,609	23,396	21,533	20,796	19,475	24,639	21,922
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 165,172	\$ 165,172	\$ 165,172	\$ 165,172	\$ 163,778	\$ 161,028	\$ 156,256	N/A
Contributions as a percentage of covered-employee payroll	15.12%	13.69%	14.16%	13.04%	12.70%	12.09%	15.77%	N/A

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

DELRAN TOWNSHIP FIRE DISTRICT No. 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Public Employees' Retirement System (PERS)

Changes of Benefit Terms – None

Changes of Assumptions – The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

EXHIBIT I-1

DELTRAN TOWNSHIP FIRE DISTRICT No. 1
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JANUARY 1, 2019	RETIRED	BALANCE DECEMBER 31, 2020
			DATE	AMOUNT				
General Refunding Bonds, 2014	7/16/14	\$ 2,638,000	8/15/21	\$ 268,000	5.000%	\$ 1,411,000	\$ 257,000	\$ 1,154,000
			8/15/22	281,000	5.000%			
			8/15/23	295,000	5.000%			
			8/15/24	310,000	5.000%			
Total						\$ 1,411,000	\$ 257,000	\$ 1,154,000

EXHIBIT I-2

DELRAN TOWNSHIP FIRE DISTRICT No. 1
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE YEAR ENDED DECEMBER 31, 2020

DESCRIPTION	DATE OF LEASE	TERM OF LEASE	AMOUNT OF		INTEREST RATE PAYABLE	PRINCIPAL OUTSTANDING JANUARY 1, 2019	RETIRED	PRINCIPAL OUTSTANDING DECEMBER 31, 2020	DUE IN 1 YEAR
			PRINCIPAL	INTEREST					
Fire Truck - Lease 2015	8/26/14	7 years	\$ 736,061	\$ 82,852	2.75%	\$ 224,698	\$ 110,831	\$ 113,867	\$ 113,867
Total			\$ 224,698	\$ 110,831		\$ 113,867	\$ 113,867	\$ 113,867	

DELRAN TOWNSHIP FIRE DISTRICT No. 1
Schedule of Financial Statement Findings
For the Year Ended December 31, 2020

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

None.

DELRAN TOWNSHIP FIRE DISTRICT No. 1
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management
For the Year Ended December 31, 2020

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No financial statement findings in prior year.

Federal Awards

N/A – No Federal Single Audit in prior year

State Financial Assistance

N/A – No State Single Audit in prior year



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Holt McNally & Assoc.

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Medford, New Jersey
September 24, 2021

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com