

**EASTAMPTON TOWNSHIP
FIRE DISTRICT NO. 1
County of Burlington**

**REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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Introductory Section

**EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
EASTAMPTON, NEW JERSEY**

**BOARD OF FIRE COMMISSIONERS
DECEMBER 31, 2022**

Daniel Paolini
Chairman

John Adams
Vice-Chairman

Lamar Hicks Jr.
Secretary

David Osworth
Treasurer

Joe McGlynn
Commissioner

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Eastampton Township Fire District No. 1
County of Burlington
Mount Holly, New Jersey 08060

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of the Eastampton Township Fire District No. 1 (the "Fire District"), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fire District, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 31, 2023, on my consideration of the Fire District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Fire District's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant No. 436

Marlton, New Jersey
August 31, 2023

INVERSO & STEWART, LLC

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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*

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Eastampton Township Fire District No. 1
County of Burlington
Mount Holly, New Jersey 08060

I 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 the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the governmental activities, and each major fund of Eastampton Township Fire District No. 1, in the County of Burlington, State of New Jersey (the "Fire District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements, and have issued my report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fire District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District'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 Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant No. 436

Marlton, New Jersey
August 31, 2023

Required Supplementary Information - Part I
Management's Discussion and Analysis

**Eastampton Township Fire District No. 1
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2022**

As management of the Eastampton Township Fire District No. 1, New Jersey (Fire District), we offer readers of the Fire District's financial statements this narrative overview and analysis of the Fire District for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets of the Fire District exceeded its liabilities at the close of the most recent fiscal year by \$611,383.
- Governmental activities have unrestricted net position of \$105,163.
- The total net position of the Fire District increased by \$30,417 or a 5.24% increase from the prior fiscal year-end balance. The increase is attributable to the results of operation in the General Fund.
- Fund balance of the Fire District's governmental funds decreased by \$31,934 resulting in an ending fund balance of \$206,339. This increase is due to the net increase in the General fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fire District's basic financial statements. The 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net position* presents information about all of the Fire District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in 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 net assets of the Fire District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the Fire District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Capital Projects Fund, and Debt Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the Fire District are *governmental funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The Fire District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The Fire District adopts an annual appropriated budget for the General Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

District-wide Financial Analysis

The assets of the Fire District are classified as current assets and capital assets. Cash, investments, and receivables are current assets. These assets are available to provide resources for the near-term operations of the Fire District. The majority of the current assets are the results of the district tax levy.

Capital assets are used in the operations of the Fire District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2022.

A net investment of \$408,467 in vehicles and equipment which provide the services to the Fire District's citizens, represents 66.81% of the Fire District's net position. Net position of \$41,753 has been restricted to provide resources for future capital projects and \$56,000 for appropriation in the 2023 Budget.

Eastampton Township Fire District No. 1
Statement of Net Position
For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets	\$ 181,443	\$ 263,176
Accounts receivable	106,215	-
Capital assets	<u>537,631</u>	<u>516,607</u>
 Total assets	 <u>825,289</u>	 <u>779,783</u>
Liabilities:		
Current Liabilities	126,368	69,653
Noncurrent Liabilities	<u>87,538</u>	<u>129,164</u>
 Total liabilities	 <u>213,906</u>	 <u>198,817</u>
 Net position	 <u>\$ 611,383</u>	 <u>\$ 580,966</u>
 Net position consists of:		
Net investment in capital assets	\$ 408,467	\$ 347,183
Restricted net position	97,753	162,753
Unrestricted net position	<u>105,163</u>	<u>71,030</u>
 Net position	 <u>\$ 611,383</u>	 <u>\$ 580,966</u>

Governmental Activities

Governmental activities increased the net position of the Fire District by \$30,417 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Depreciation expense of \$43,976.
- Results of Operations in the General Fund.
- Payment of a financed purchase obligation.

Eastampton Township Fire District No. 1
Statement of Changes in Net Position
For the Year Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
General Revenues:		
Property Taxes	\$ 337,192	\$ 316,000
State and Federal Aid	-	-
Other Revenues	28,078	15,766
Total Revenues	365,270	331,766
Expenses:		
Governmental Activities:		
Administration	58,312	63,686
Cost of Operations	227,882	221,883
Debt Service	4,683	6,040
Unallocated	43,976	41,268
Total Expenses	334,853	332,877
Changes in net position	30,417	(1,111)
Net position, January 1	580,966	582,077
Net position, December 31	\$ 611,383	\$ 580,966

Financial Analysis of the Governmental Funds

As noted earlier, the Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Fire District's governmental funds reported a combined ending fund balance of \$206,339, a decrease of \$31,934 in comparison with the prior year. The decrease is attributable to the results of operations in the General Fund.

The unreserved fund balance for the Fire District at the end of the fiscal year includes unreserved fund balance for the General Fund of \$108,586. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlays of \$41,753 and 2) \$56,000 appropriated as a revenue source in the subsequent year's budget.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance of the general fund was \$108,586 while total fund balance was \$206,339. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Actual expenditures of the General Fund including other financing uses amounted to \$351,194. Unreserved fund balance (budgetary basis) represents 30.92% of expenditures while total fund balance represents 58.75% of that same amount.

Capital Asset and Debt Administration

The Fire District’s investment in capital assets for its governmental activities as of December 31, 2022, totaled \$537,631 (net of accumulated depreciation). This investment in capital assets includes vehicles and equipment. The total increase in the District’s investment in capital assets for the current fiscal year was \$21,024, or a 4.07% increase due to equipment acquisitions and depreciation expense.

Capital Asset (net of accumulated depreciation) For the Year Ended December 31, 2022 and 2021

		2022		2021
Construction in Progress	\$	-	\$	-
Vehicles and Equipment		537,631		516,607
Net assets	\$	537,631	\$	516,607

Additional information on the Fire District’s capital assets can be found in the notes to the basic financial statements (Note 3) of this report.

Long-Term debt – During the fiscal year ended December 31, 2022, the Fire District had \$129,164 in financed purchased obligations.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$9,836,722. The available amount as of December 31, 2022 is \$9,836,722.

Additional information on the Fire District’s debt obligations can be found in the notes to the basic financial statements (Note 4) of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the Fire District’s budget for the 2023 calendar year.

- For the 2023 calendar year the Fire District local tax levy in the General Fund increased by \$22,184, resulting in an estimated tax rate of .073. The 2023 Budget increased by \$120,449 or a 25.7% increase which is due to the expected FEMA grant monies.

For the Future

The Eastampton Township Fire District No. 1 is in good financial condition presently. However, a major concern is the continued growth of the Township and the ability to provide quality service at an affordable cost.

In conclusion, the Eastampton Township Fire District No. 1 has committed itself to financial excellence for many years. In addition, the Fire District's system for financial planning and budgeting are well regarded. The Fire District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Eastampton Township Fire District No. 1 Board of Fire Commissioners, 788 Smithville Road, Eastampton, New Jersey, 08060.

Basic Financial Statements

District-Wide Financial Statements

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 181,443
Accounts receivable	106,215
Capital assets, net (Note 3)	537,631
Total assets	825,289
LIABILITIES:	
Accounts payable	79,268
Payroll deductions payable	2,051
Accrued interest	3,423
Noncurrent liabilities:	
Due within one year	41,626
Due beyond one year	87,538
Total liabilities	213,906
NET POSITION:	
Net investment in capital assets	408,467
Restricted for:	
Future capital outlays	41,753
Other purposes	56,000
Unrestricted	105,163
Total net position	\$ 611,383

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

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Statement of Activities
For the Fiscal Year Ended December 31, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:					
Administration:					
Salary and wages	\$ 16,080	\$ -	\$ -	\$ -	\$ (16,080)
Fringe benefits	1,409				(1,409)
Other expenses	40,823				(40,823)
Cost of Operations:					
Salary and wages	4,556				(4,556)
Fringe benefits	400				(400)
Fire hydrant services	105,832				(105,832)
Building lease	43,600				(43,600)
Maintenance and repairs	7,467				(7,467)
Utilities	1,928				(1,928)
Training and education	1,997				(1,997)
Equipment	22,219				(22,219)
Software fees	4,988				(4,988)
Other expenses	24,520				(24,520)
Uniform Fire Safety Act	10,375				(10,375)
Debt service:					
Interest and other charges	4,683				(4,683)
Unallocated		43,976			(43,976)
Total governmental activities	<u>290,877</u>	<u>43,976</u>	<u>-</u>	<u>-</u>	<u>(334,853)</u>
Total primary government	<u>290,877</u>	<u>43,976</u>	<u>-</u>	<u>-</u>	<u>(334,853)</u>
General Revenues:					
Taxes:					
District taxes, levied for general purposes, net					291,182
Taxes levied for debt service					46,010
Uniform Fire Safety Act					6,601
Investment Earnings					55
Miscellaneous					21,422
Total general revenues, special items, extraordinary items and transfers					<u>365,270</u>
Change in Net Position					<u>30,417</u>
Net Position - January 1					<u>580,966</u>
Net Position - December 31					<u>\$ 611,383</u>

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

Fund Financial Statements

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Balance Sheet
Governmental Funds
December 31, 2022

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 181,443	\$ -	\$ -	\$ -	\$ 181,443
Tax levy receivable	106,215				106,215
Total assets	<u>\$ 287,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,658</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	79,268				79,268
Payroll deductions payable	2,051				2,051
Total liabilities	81,319				81,319
Fund Balances:					
Restricted Fund Balance:					
Reserved for future capital outlays	41,753				41,753
Assigned Fund Balance:					
Designated for subsequent year's expenditures	56,000				56,000
Unassigned Fund Balance	108,586				108,586
Total fund balances	206,339				206,339
Total liabilities and fund balances	<u>\$ 287,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 \$1,200,810 and the accumulated depreciation is \$663,179.	537,631
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(3,423)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Financed Purchase Obligations	(129,164)
Net position of governmental activities	<u>\$ 611,383</u>

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

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended December 31, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local Tax Levy	\$ 291,182	\$ -	\$ -	\$ 46,010	\$ 337,192
Interest Earned	55				55
Uniform Fire Safety Act	6,601				6,601
Miscellaneous	21,422				21,422
Total revenues - local sources	319,260	-	-	46,010	365,270
State sources	-				-
Total revenues	319,260	-	-	46,010	365,270
EXPENDITURES:					
Current expense:					
Administration:					
Salary and wages	16,080				16,080
Fringe benefits	1,409				1,409
Other expenses	40,823				40,823
Cost of Operations:					
Salary and wages	4,556				4,556
Fringe benefits	400				400
Fire hydrant services	105,832				105,832
Building lease	43,600				43,600
Maintenance and repairs	7,467				7,467
Utilities	1,928				1,928
Training and education	1,997				1,997
Non-bondable equipment	22,219				22,219
Software fees	4,988				4,988
Other expenses	24,520				24,520
Uniform Fire Safety Act	10,375				10,375
Capital Outlay	65,000				65,000
Debt Service					
Interest				5,750	5,750
Principal				40,260	40,260
Total expenditures	351,194	-	-	46,010	397,204
Excess (deficiency) of revenues over (under) expenditures	277,460 (31,934)	-	-	-	(31,934)
Other Financing Sources (Uses):					
Proceeds of capital lease	-				-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(31,934)	-	-	-	(31,934)
Fund balances, January 1	238,273				238,273
Fund balances, December 31	\$ 206,339	\$ -	\$ -	\$ -	\$ 206,339

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

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended December 31, 2022

Total net change in fund balances - governmental funds (from B-2) \$ (31,934)

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

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

Depreciation expense	\$ (43,976)	
Capital outlay	<u>65,000</u>	21,024

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

1,067

Repayment of financed purchase obligation principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.

40,260

Change in net position of governmental activities

\$ 30,417

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

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - Eastampton Township Fire District No. 1 is located in Burlington County, New Jersey. It is a political subdivision of the Township of Eastampton and was formed through the adoption of a Township ordinance. As of the 2020 United States Census, the Township's population was 6,135. 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 District charged with the responsibility of providing fire-fighting services to the residents within its territorial location. Eastampton Township Fire District No. 1 has one fire company within its jurisdiction.

Component Units - GASB Statement No. 14 and GASB No. 39, 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 meet the criteria established by GASB statements No. 14 and No. 39. In addition, GASB Statement No. 61, 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, 2022, it has been determined by the 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 local 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 District's accounting policies are described below.

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

Government-wide Statements - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. Eliminations have been made to minimize the double counting of internal activities. The Statement of Net Position presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Indirect expenses are not allocated to programs. Program revenues include charges paid by the recipients of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the 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 District.

Fund Financial Statements - During the fiscal year, the District segregates transactions related to certain 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 District at this more detailed level reporting. The 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. There are two categories of funds: governmental and fiduciary.

Governmental Fund - 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.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund - 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 all expendable financial resources except those required to be accounted for in another fund. The acquisition of certain capital assets, such as fire-fighting 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 that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities such as fire houses. The financial resources are derived from temporary notes or serial bonds which are specifically 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 resources that will be used to service principal and interest payments on general long-term liabilities.

Measurement Focus

Government-wide Financial Statements - The government-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 are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance 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 government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-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. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the 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.

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

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.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, except for provisions allowed by 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 the approval of the legal voters. If the voters reject the budget, the Township Council is required to review and determine the annual budget. Amounts reported under the final budget on Exhibits C-1 and I-3, include modifications to the adopted budget that were made during the year as approved by the Board of Commissioners.

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

Open encumbrances in the special revenue fund, for which the Fire District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 States 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. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - N.J.S.A. 17:9-41et 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 (“GUDPA”), a multiple financial institutional collateral pool, 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 include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. 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 amount of their deposits to the governmental units.

The cash management plan adopted by the Fire District requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Inventories and Prepaid Expenses - Inventories and prepaid expenses which benefit future periods, other than those recorded in the enterprise funds, are recorded as an expenditure during the year of purchase.

Short-Term Interfund Receivables / Payables - Short-term interfund 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 - These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-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 valued at their estimated fair market value on the date received. The Fire District maintains a capitalization threshold of \$5,000. The Fire District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not. All reported capital assets except land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

Asset Class	Governmental Activities Estimated Lives
Buildings	30 years
Building Improvements	20 years
Machinery and Equipment	5-20 years
Vehicles	5-20 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 fire-fighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mils 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.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Fire District is eligible to realize the revenue.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into 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 the 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 Fire District or through external restrictions imposed by creditors, grantors or law 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.

It is the Fire District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted 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:

Nonspendable - The nonspendable 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" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This 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 Fire Commissioners. Once committed, amounts cannot be used for any other purpose unless the Board of Fire Commissioners removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This 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 Board of Fire Commissioners has the authority to assign amounts to be used for specific purposes.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Unassigned – This fund balance classification is the residual classification for the General Fund. It 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 unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Fire District's policy to spend restricted fund balances first. Likewise, 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, then unassigned.

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

Impact of Recently Issued Accounting Principles – During 2022, the District implemented GASB No. 87, Leases.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The impact of the adoption of this Statement will have no effect on the District's financial statements.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the District’s deposits may not be recovered. Although the Fire District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. 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 municipality 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 pass to the Fire District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Fire District’s amount on deposit of \$199,976 as of December 31, 2022, \$199,976 was insured under FDIC and the remaining balance of \$-0- was collateralized under GUDPA.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2022, was as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Governmental Activities:				
<i>Capital Assets, not being Depreciated:</i>				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
<i>Capital Assets, being Depreciated:</i>				
Equipment	1,135,811	65,000	-	1,200,811
Total Historical Cost	<u>1,135,811</u>	<u>65,000</u>	<u>-</u>	<u>1,200,811</u>
<i>Less Accumulated Depreciation:</i>				
Equipment	(619,204)	(43,976)	-	(663,180)
Total Accumulated Depreciation	<u>(619,204)</u>	<u>(43,976)</u>	<u>-</u>	<u>(663,180)</u>
Total Capital Assets, being depreciated, net	<u>516,607</u>	<u>21,024</u>	<u>-</u>	<u>537,631</u>
Governmental Activities Capital Assets, Net	<u>\$ 516,607</u>	<u>\$ 21,024</u>	<u>\$ -</u>	<u>\$ 537,631</u>

Depreciation expense in the amount of \$43,976 was charged to governmental functions as follows:

Function	Amount
Unallocated	\$ 43,976
Total	<u>\$ 43,976</u>

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 4. LONG-TERM OBLIGATIONS

During the fiscal year ended December 31, 2022, the following changes occurred in long-term obligations:

	<u>Principal Outstanding January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding December 31, 2022</u>	<u>Amounts Due Within One Year</u>
Financed Purchase Obligations	\$ 169,424	\$	\$ 40,260	\$ 129,164	\$ 41,626
	<u>\$ 169,424</u>	<u>\$</u>	<u>\$ 40,260</u>	<u>\$ 129,164</u>	<u>\$ 41,626</u>

Financed Purchase Obligation:

As of December 31, 2022, the District had the following financed purchase obligation:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Pumper Fire Truck	March 21, 2025	3.394%	\$ 129,164
Total			<u>\$ 129,164</u>

The following is a schedule of the future minimum payments under the financed purchase obligation and the present value of the net minimum payments at December 31, 2022:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 41,626	\$ 4,384	\$ 46,010
2024	43,039	2,971	46,010
2025	<u>44,499</u>	<u>1,511</u>	<u>46,010</u>
	<u>\$ 129,164</u>	<u>\$ 8,866</u>	<u>\$ 138,030</u>

NOTE 5. RECEIVABLES

Receivables as of year-end for the District's individual major funds totaled \$106,215 and consisted solely of Eastampton Township District Tax.

NOTE 6. PENSION PLANS

The District has no employees enrolled in the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP).

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The District does not have any postemployment benefits liability as of December 31, 2022.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 8. 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; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance – The District maintains commercial insurance for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9. PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ <u>.069</u>	\$ <u>.068</u>	\$ <u>.067</u>	\$ <u>.066</u>	\$ <u>.065</u>

Assessed Valuation

2022	\$ 491,836,107
2021	\$ 469,945,907
2020	\$ 449,612,105
2019	\$ 449,825,422
2018	\$ 433,302,554

NOTE 10. FUND BALANCES

The Fire District has classified its fund balances with the following hierarchy:

Nonspendable – The Fire District does not have any nonspendable funds.

Spendable – The Fire District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The Fire District currently has no funds classified as *Committed*.

Restricted Items:

Reserve for Future Capital Outlays – As of December 31, 2022, the balance in the reserve for future capital outlays is \$41,753 which has been appropriated as anticipated revenue in the 2023 budget.

Assigned:

Designated for Subsequent Year’s Expenditures – The Fire District has appropriated \$56,000 anticipated revenue for the upcoming 2023 budget.

Unassigned - As of December 31, 2022, \$108,586 was unassigned.

Eastampton Township Fire District No. 1
Notes to Basic Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 10. FUND BALANCES (Continued)

The following presents the assigned and unassigned fund balance as of the last five years and the amount utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance</u> <u>Dec. 31,</u>	<u>Utilized In</u> <u>Budget Of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>Budget of</u> <u>Succeeding Year</u>
2022	\$ 164,586	\$ 56,000	34.02%
2021	131,520	56,000	42.58%
2020	131,333	62,000	47.21%
2019	124,651	62,000	49.74%
2018	109,983	48,000	43.64%

Required Supplementary Information - Part II

Budgetary Comparison Schedules

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local Tax Levy	\$ 291,182	\$ -	\$ 291,182	\$ 291,182	\$ -
Interest on Investments	50		50	55	5
Uniform Fire Safety Act	10,375		10,375	6,601	(3,774)
Miscellaneous	-		-	21,422	21,422
	<u>301,607</u>		<u>301,607</u>	<u>319,260</u>	<u>17,653</u>
Total local sources					
	<u>301,607</u>		<u>301,607</u>	<u>319,260</u>	<u>17,653</u>
TOTAL REVENUES					
	<u>301,607</u>		<u>301,607</u>	<u>319,260</u>	<u>17,653</u>
EXPENDITURES:					
GENERAL EXPENSE:					
Administration:					
Salaries and Wages:					
Salaries and wages	16,080		16,080	16,080	-
Fringe benefits	1,409		1,409	1,409	-
	<u>17,489</u>		<u>17,489</u>	<u>17,489</u>	
Total Salaries and Wages					
	<u>17,489</u>		<u>17,489</u>	<u>17,489</u>	
Other Expenses:					
Election	500		500	-	500
Insurance	43,500		43,500	33,935	9,565
Office expense	1,500		1,500	920	580
Professional services	15,000	(5,300)	9,700	5,900	3,800
Advertising	1,000		1,000	68	932
	<u>61,500</u>	<u>(5,300)</u>	<u>56,200</u>	<u>40,823</u>	<u>15,377</u>
Total Other Expense					
	<u>61,500</u>	<u>(5,300)</u>	<u>56,200</u>	<u>40,823</u>	<u>15,377</u>
Total Administration					
	<u>78,989</u>	<u>(5,300)</u>	<u>73,689</u>	<u>58,312</u>	<u>15,377</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended December 31, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Cost of operations:					
Personnel:					
Salaries and wages	\$ 7,020	\$ -	\$ 7,020	4,556	\$ 2,464
Fringe benefits	400		400	400	-
Other expenses:					
Fire hydrant services	96,000	9,900	105,900	105,832	68
Building lease	43,600		43,600	43,600	-
Maintenance & repairs	32,000	(6,000)	26,000	7,467	18,533
Utilities	2,000	550	2,550	1,928	622
Training and education	4,000		4,000	1,997	2,003
Other:					
Health and safety	7,500		7,500	5,256	2,244
Incentive program	14,000		14,000	11,367	2,633
NFPA test	6,000		6,000	3,916	2,084
Fire prevention bureau	4,100		4,100	134	3,966
Motor vehicle fuel	3,000		3,000	824	2,176
Meetings, dues & fees	700		700	475	225
Expendables	4,500	(550)	3,950	1,039	2,911
Uniforms - Class b	3,500		3,500	1,509	1,991
Software fees	6,600	2,500	9,100	4,988	4,112
Miscellaneous small equipment	25,000		25,000	19,279	5,721
Purchase of non-bondable assets:					
Equipment	8,323	(1,100)	7,223	2,940	4,283
Total other expense	<u>268,243</u>	<u>5,300</u>	<u>273,543</u>	<u>217,507</u>	<u>56,036</u>
Uniform Fire Safety Act:					
Salaries and wages	5,550		5,550	5,550	-
Fringe benefits	350		350	350	-
Other expenses	4,475		4,475	4,475	-
Total Uniform Fire Safety	<u>10,375</u>		<u>10,375</u>	<u>10,375</u>	<u>-</u>
Total cost of operations	<u>278,618</u>	<u>5,300</u>	<u>283,918</u>	<u>227,882</u>	<u>56,036</u>
CAPITAL APPROPRIATIONS:					
Purchase of Command Vehicle	<u>65,000</u>		<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Capital Appropriations	<u>65,000</u>		<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Expenditures	<u>422,607</u>		<u>422,607</u>	<u>351,194</u>	<u>71,413</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended December 31, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	\$ (121,000)	\$ -	\$ (121,000)	\$ (31,934)	\$ 89,066
Fund Balance, January 1	<u>238,273</u>	<u> </u>	<u>238,273</u>	<u>238,273</u>	<u> </u>
Fund Balance, December 31	<u>\$ 117,273</u>	<u>\$ -</u>	<u>\$ 117,273</u>	<u>\$ 206,339</u>	<u>\$ 89,066</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Future Capital Outlays:					
Designated for Subsequent Year's Expenditures				\$ 41,753	
Reserve for Future Capital Outlays				-	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				56,000	
Unassigned Fund Balance				<u>108,586</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 206,339</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Notes to Required Supplementary Information
Budgetary Comparison

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 319,260
Difference - budget to GAAP:	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-
	-
 Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	 <u>\$ 319,260</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 351,194
Differences - budget to GAAP	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-
	-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 <u>\$ 351,194</u>

Other Supplementary Information

Long-Term Debt Schedules

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
General Long-Term Debt Account Group
 Statement of Financed Purchase Obligations
 December 31, 2022

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding Jan. 1, 2022	Issued Current Year	Retired Current Year	Amount Outstanding Dec. 31, 2022
Pumper Fire Truck	3.394%	\$ 282,445	\$ 169,424	\$ -	\$ 40,260	\$ 129,164
			<u>\$ 169,424</u>	<u>\$ -</u>	<u>\$ 40,260</u>	<u>\$ 129,164</u>

EASTAMPTON TOWNSHIP FIRE DISTRICT NO.1
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended December 31, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 46,010	\$ -	\$ 46,010	\$ 46,010	\$ -
Total revenues - local sources	<u>46,010</u>	<u>-</u>	<u>46,010</u>	<u>46,010</u>	<u>-</u>
Total Revenues	<u>46,010</u>	<u>-</u>	<u>46,010</u>	<u>46,010</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	5,750		5,750	5,750	-
Redemption of principal	<u>40,260</u>		<u>40,260</u>	<u>40,260</u>	<u>-</u>
Total Expenditures	<u>46,010</u>	<u>-</u>	<u>46,010</u>	<u>46,010</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund Balances, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Comments and Recommendations

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 the requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

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

This section identifies the status of prior year audit findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no prior year recommendations.

APPRECIATION

I express my appreciation for the assistance and courtesies extended to the audit team by the Fire District Commissioners during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

August 31, 2023