

COMMERCIAL TOWNSHIP
FIRE DISTRICT NO. 3
COUNTY OF CUMBERLAND
REPORT OF AUDIT
DECEMBER 31, 2024

COMMERCIAL TOWNSHIP FIRE DISTRICT NO. 3

COUNTY OF CUMBERLAND

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FINANCIAL SECTION

Responsibilities of Management for the Financial Statements (Cont.)

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 Commercial Township Fire District No. 3, in the County of Cumberland, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Commercial Township Fire District No. 3, in the County of Cumberland, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Commercial Township Fire District No. 3, in the County of Cumberland, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

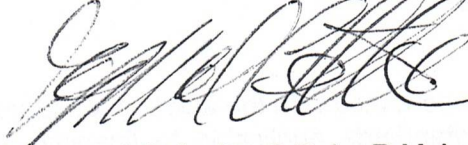
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025 on our consideration of Commercial Township Fire District No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the effectiveness of the Commercial Township Fire District No. 3's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Commercial Township Fire District No. 3's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A., R.M.A.
April 29, 2025

Report on Compliance and Other Matters

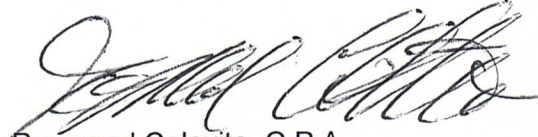
As part of obtaining reasonable assurance about whether Commercial Township Fire District No. 3, in the County of Cumberland, State of New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, and State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. However, this report is a matter of public record.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A.
Registered Municipal Accountant
April 29, 2025

COMMERCIAL TOWNSHIP FIRE DISTRICT NO. 3
COUNTY OF CUMBERLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
UNAUDITED

As management of the Commercial Township Fire District No. 3, we offer readers of the Fire District's financial statements this narrative overview and analysis of our financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Fire District's financial performance as a whole. Readers should also review the information furnished in the notes to the basic financial statements and other financial statements along with the financial statements to enhance their understanding of the Fire District's financial performance. This presentation is in conformance with GASB 34, which provides more detailed comparisons to prior year financial information.

Financial Highlights

- The assets of Commercial Township Fire District No. 3 exceeded its liabilities at the close of the most recent year by \$410,441 which constitutes Net Position.
- As of the close of the current year, the Fire District's governmental funds reported ending fund balances of \$91,025 an increase of \$25,919 in comparison with the prior year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commercial Township Fire District No. 3's basic financial statements, which comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

District-wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the Fire District's finances, in a manner similar to a private sector business, on a longer-term view. They also reflect what funds remain available for future spending.

The Statement of Net Position presents information on all of the Fire District's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases 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 Commercial Township Fire District No. 3's Net Position changed during the most recent year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future periods.

Both of the district-wide financial statements distinguish functions of the Commercial Township Fire District No. 3 that are principally supported by taxes and intergovernmental revenues (governmental activities). The activities of the Fire District include firefighting/suppression services that are provided to the citizens of the Mauricetown area of Commercial Township.

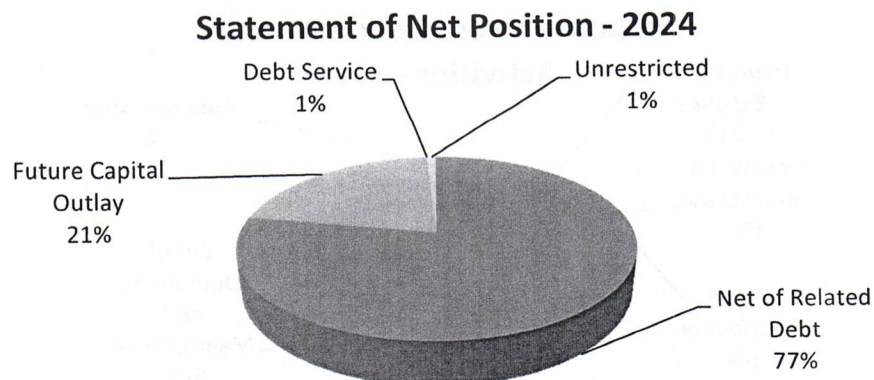
Statement of Net Position

Table 1 provides a comparative summary of the Fire District's Net Position for the years ended in 2024 and 2023.

Table 1
Net Position

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 188,751	\$ 155,700
Accounts Receivable		861
Prepaid Grant Expenditures		7,245
Capital Assets, Net	415,098	509,486
Total Assets	<u>603,849</u>	<u>673,292</u>
Liabilities		
Accounts Payable	12,227	14,226
Due to LOSAP Fund	11,750	11,730
Accrued Interest Payable	822	1,096
Unearned Revenue		37,178
Noncurrent Liabilities:		
Reserve for LOSAP	73,749	65,499
Capital Lease:		
Due Within One Year	94,860	91,629
Due Beyond One Year		94,860
Total Liabilities	<u>193,408</u>	<u>316,218</u>
Net Position	<u>410,441</u>	<u>357,074</u>
Analysis of Net Position		
Invested in Capital Assets, Net of Related Debt	320,238	322,997
Restricted for:		
Future Capital Outlay	86,607	61,607
Debt Service	179	179
Unrestricted (Deficit)	3,417	(27,709)
Total Net Position	<u>\$ 410,441</u>	<u>\$ 357,074</u>

Net position of governmental activities increased \$53,367 from the previous year, resulting from decreases in total assets and total liabilities of \$69,443 and \$122,810 respectively.



Financial Analysis of the Government Funds

As previously stated, Commercial Township Fire District No. 3 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 Commercial Township Fire District No. 3'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 year and as a useful measure of permitting a governmental unit to maintain cash flow in anticipation of tax collections.

As of the end of the current year, the Commercial Township Fire District No. 3's governmental funds reported combined ending fund balances of \$91,025 representing a \$25,919 increase from the prior year. The general fund's ending fund balance of \$90,846 is comprised of \$86,607 restricted for future capital outlay and \$4,239 in Unassigned Fund Balance. The debt service fund has a restricted fund balance of \$179. The general fund is the main operating fund utilized and possessing the resources of the Fire District.

Key factors of operations are as follows:

- General Fund Expenditures exceeded Revenues by \$25,919. This was achieved through positive Revenue Variances of \$2,901 and Expenditure Variances of \$26,118.
- Operating Expenditures increased \$5,294 from the prior period.
- Total Revenue increased \$2,088 from the prior period.

Capital Projects Fund

There was no Capital Projects Fund maintained, as of December 31, 2024.

General Fund Budgetary Highlights

The original operating budgetary estimate of \$404,630 and debt service estimate of \$98,204 were the same as the final budget for planned expenditure appropriations. The final budgetary basis expenditure appropriation estimate exceeded the final budgetary basis revenue by \$3,100, which represents the amount of fund balance necessary to support 2024 appropriations.

The original budgetary revenue estimate of \$401,530 was the same as the final budget. This amount was made up entirely of property taxes (local tax levy). The District also levied taxes for debt service during 2024, in the amount of \$98,204.

DISTRICT-WIDE FINANCIAL STATEMENTS

COMMERCIAL TOWNSHIP FIRE DISTRICT NO. 3
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 188,751
Capital Assets, net (Note 7)	415,098
	<hr/>
Total Assets	603,849
	<hr/>
LIABILITIES	
Accounts Payable	12,227
Due to LOSAP Trust Fund	11,750
Accrued Interest Payable	822
Noncurrent Liabilities:	
Reserve for LOSAP	73,749
Capital Lease:	
Due Within One Year (Note 8)	94,860
	<hr/>
Total Liabilities	193,408
	<hr/>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	320,238
Restricted	
Reserve for Future Capital Outlay	86,607
Debt Service Fund	179
Unrestricted (Deficit)	3,417
	<hr/>
Total Net Position	\$ 410,441
	<hr/> <hr/>

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

FUND FINANCIAL STATEMENTS

COMMERCIAL TOWNSHIP FIRE DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Non Budgetary Revenues	\$ 2,040	\$	\$ 2,040
Operating Grant Revenue	861		861
Amount to be Raised by Taxation	401,530	98,204	499,734
	<hr/>		<hr/>
Total Revenues	404,431	98,204	502,635
	<hr/>		<hr/>
EXPENDITURES			
Operating Appropriations:			
Administration	22,847		22,847
Cost of Operations and Maintenance	335,665		335,665
Capital Leases Principle		91,629	91,629
Capital Leases Interest		6,575	6,575
Length of Service Award Program (LOSAP) - Contribution (P.L. 1997, c. 388)	20,000		20,000
	<hr/>		<hr/>
Total Expenditures	378,512	98,204	476,716
	<hr/>		<hr/>
Excess (Deficiency) of Revenues Over Expenditures	25,919		25,919
	<hr/>		<hr/>
OTHER FINANCING SOURCES (USES)			
Total Other Financing Sources and Uses			
Net Change in Fund Balances	25,919		25,919
Fund Balance—Jan 1	64,927	179	65,106
	<hr/>		<hr/>
Fund Balance—Dec 31	\$ 90,846	\$ 179	\$ 91,025
	<hr/>		<hr/>

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

GENERAL ACCOUNTING POLICIES

The Group's accounting policies are based on the principles of accrual accounting and are consistent with the requirements of the Companies Act 2006 and the Financial Reporting Standard for Financial Statements of Companies (FRS 102).

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)

Basis of Presentation (Continued)

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

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

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

Measurement Focus:

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

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds, labeled as Exhibit B-3.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- d. **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 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 hearings must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the fire commissioners may, by majority vote, adopt the budget.

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

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

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

Amounts reported under "final budget" in Exhibits C-1 for operations include modifications, if any, to the adopted budget that were made during the year as approved by the Board of Fire Commissioners.

Exhibit C-2 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General Fund Budgetary Comparison Schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Note that the Fire District does not report encumbrances outstanding at year-end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting.

- e. **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. Due to the small size of the Fire District, the selective encumbrance method is implemented rather than a full encumbrance system.

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- i. **Capital Assets** – General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The Fire District maintains a capitalization threshold of \$1,000. The Fire District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are required to be depreciated. Improvements are to be depreciated over the remaining useful lives of the related capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 50 Years
Vehicles	5-10 Years
Furniture and Firefighting Equipment	5 Years

N.J.S.A. 40A:14-84 governs the procedures for the acquisition of property and equipment for Fire Districts, and **N.J.S.A. 40A:14-85 to 87** governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase firefighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation or 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. **Long-Term Obligations** - Long-term debt is recognized as a liability in the Fund Financial Statements of the Fire District when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the Fire District. The remaining portion of such obligations is reported in the Statement of Net Position.
- k. **Unearned Revenue** - Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned. As of December 31, 2024, the District has \$31,178 of unearned revenue, representing grant funds received by the NJ Department of Community Affairs in advance of expenditure.
- l. **Fund Equity and Reserves** - Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. These include legally restricted appropriations and future capital outlays, designated for future use of financial resources. Unreserved Fund Balances represent that portion of Fund Balance that is available for appropriation in future periods. Open Encumbrances represent reserve expenditures that are not complete but will be satisfied within the next accounting period.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Balance (Continued)

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

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

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

q. New Accounting Standards:

The District has adopted the following GASB statements:

- GASB Statement No. 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 accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The adoption of GASB 100 did not impact the financial statements of the District.
- GASB Statement No. 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 adoption of GASB 101 impacted the financial statements of the District.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

CASH AND CASH EQUIVALENTS (CONTINUED)

As of December 31, 2024, the District's bank balance of \$199,047 was exposed to custodial credit risk as follows:

Insured	\$ 199,047
Uninsured and collateralized with securities held by pledging financial institutions	<u>\$ 199,047</u>

b. Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length for most investments.

c. Credit Risk - New Jersey Statutes 40A:5-15.1(a) limits District investments to those specified in the Statutes. The type of allowable investments are bonds of the United States of America or of the local unit or school districts of which the local unit is a part of, obligations of federal agencies not exceeding 397 days, the State of New Jersey Cash Management Plan, local government investment pools, or repurchase of fully collateralized securities.

d. Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

f. Unaudited Investments - As more fully described in Note #10, the District has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in N.J.S.A. 43:15B-1 et. seq. except that all investments are retained in the name of the District. All investments are valued at fair market value. In accordance with N.J.A.C. 5:30-14.37 the investments are maintained by Lincoln Financial Advisors, which is an authorized provider approved by the Division of Local Government Services. Any information available on the investments is with the Lincoln Financial Group, who is the approved plan agent.

3. PROPERTY TAX LEVIES

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

Fiscal Year	Assessed Valuations	Total Tax Levy	Property Tax Rates
2024	\$ 130,404,500	\$ 499,734	0.384
2023	130,456,300	498,060	0.383
2022	130,479,200	477,210	0.366
2021	131,568,400	475,411	0.362
2020	133,056,000	467,828	0.352

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

7. CAPITAL ASSETS

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

	Balance December 31, 2023	Additions	Adjustment	Balance December 31, 2024
Land	\$ 5,000	\$	\$	\$ 5,000
Total Capital Assets not Being Depreciated	5,000			5,000
Buildings and Improvements	121,866			121,866
Furniture & Fixtures	23,373			23,373
Vehicles	1,455,464			1,455,464
Equipment	896,223			896,223
Total Capital Assets Being Depreciated	2,496,926			2,496,926
Less Accumulated Depreciation:				
Buildings and Improvements	(104,682)	(2,369)		(107,051)
Furniture & Fixtures	(22,002)	(1,371)		(23,373)
Vehicles	(1,033,758)	(72,644)		(1,106,402)
Equipment	(831,998)	(18,004)		(850,002)
Total Accumulated Depreciation	(1,992,440)	(94,388)		(2,086,828)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	504,486	(94,388)		410,098
Capital Assets, Net	\$ 509,486	\$ (94,388)	\$	\$ 415,098

* Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 94,388
	\$ 94,388

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

10. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

On February 13, 2000, the voters of Commercial Fire District #3 approved the Resolution adopted to establish a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This Plan is made available to all bona fide eligible volunteers who are performing qualified services, which are defined as firefighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 (e) (11) (13) of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document.

The first year of eligibility for entrance into the Plan by qualified volunteers was calendar 2000. Amounts deferred under section 457 Plans must be held in trust for the exclusive benefit of participating volunteers and not be accessible by the Fire District or its Creditors.

As required by N.J.A.C 5:30-14.49, the Fire District must have an annual review of its LOSAP performed in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The following description of the LOSAP of Commercial Fire District #3 provides only general information. Participants should refer to the Program agreement for a more complete description of the Program's provisions. The Fire District is the Program sponsor.

General – The Program is a defined contribution Program covering volunteers in Commercial Fire District No. 3 who have performed sufficient services to earn a number of "points" as defined in a resolution adopted by the Board of Fire Commissioners of Fire District No. 3 on February 13, 2000 and approved by the voters of the District as a public question at the annual fire commissioners' election on February 13, 2000.

Contributions – If an active member meets the required years of active service, the LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount was established by statute, it is subject to periodic increases related to the consumer price index (N.J.S.A. 40A:14-185) and provided for in a resolution of the Fire District. The Division of Local Government Services issues the permitted maximum annually, which is \$2,141 for 2024.

Participant Accounts – Each participant's account reflects the total amount of contributions that are allocated to the account and the earnings thereon, any payments or withdrawals on the participant's behalf from the account and any expenses. Under the enabling legislation, the amount in each participant's account is not subject to the general creditors of the District.

Vesting – Participants are 100% vested after 5 years of service. If a participant deceases prior to 5 years of service, the full amount of the volunteer's account will be considered vested and will be paid to the estate of the participant.

Participant Loans – Loans are not permitted under the Program.

Payment of Benefits – A fully taxable distribution may be made at any time for the full amount of the participant's vested interest in his or her account.

Fees and Costs – The Program participants pay all fees costs related to administration of the Program.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

COMMERCIAL TOWNSHIP FIRE DISTRICT NO. 3
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH TOTALS FOR 2023)

	2024			Variance	2023
	Original Budget	Modified Budget	Actual	Favorable (Unfavorable)	Actual
Capital Appropriations					
Reserve for Future Capital Outlays	\$ 25,000	\$ 25,000	\$	\$ 25,000	\$
Total Capital Appropriations	25,000	25,000		25,000	
Total Operating and Maintenance Expenditures	404,630	404,630	378,512	26,118	378,623
Other Financing Sources (Uses):					
Total Other Financing Sources (Uses)					
Excess (Deficit) of Revenue Over Expenditures	(3,100)	(3,100)	25,919	29,019	23,720
Fund Balance - Beginning of Year	64,927	64,927	64,927		41,207
Fund Balance - End of Year	\$ 61,827	\$ 61,827	\$ 90,846	\$ 29,019	\$ 64,927
Restricted for:					
Reserved for Future Capital Outlay			\$ 86,607		
Unassigned Reported in General Fund:			4,239		
Fund Balance Per Governmental Funds (GAAP)			\$ 90,846		

OTHER SUPPLEMENTARY INFORMATION

EXHIBIT I-3

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

	2024			Variance	2023
	Original Budget	Modified Budget	Actual	Positive (Negative) Final to Actual	Actual
REVENUES:					
Amount to be Raised by Taxation to Support the District Budget	\$ 98,204	\$ 98,204	\$ 98,204	\$	\$ 98,204
EXPENDITURES:					
Principal Payments:					
Capital Lease - Firetruck	91,629	91,629	91,629		88,508
Interest Payments:					
Capital Lease - Firetruck	6,575	6,575	6,575		9,696
Total Expenditures	98,204	98,204	98,204		98,204
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, January 1	179	179	179		179
Fund Balance, December 31	\$ 179	\$ 179	\$ 179	\$	\$ 179

EXHIBIT J-2

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH AND INVESTMENTS**

Cash - January 1, 2024 \$ 155,700

Receipts:

District Taxes	\$ 499,734	
Interest and Other	2,901	
	<hr/>	502,635
		<hr/>
		658,335

Disbursements:

Prior Year Accounts Payable	14,226	
Prior Year LOSAP Contribution	11,730	
Debt Service Payments	96,482	
Budget Appropriations	347,146	
	<hr/>	469,584
		<hr/>

Cash - December 31, 2024 \$ 188,751

Analysis of Balance:

Balance per Bank in Checking	\$ 199,047	
Less Outstanding Checks	(10,296)	
	<hr/>	
	\$ 188,751	
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