

NEW JERSEY FIREMEN'S HOME
ALL FUNDS

JUNE 30, 2024

FINANCIAL STATEMENTS

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Yodice & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Managers
New Jersey Firemen's Home
565 Lathrop Avenue
Boonton, NJ 07005

Opinion

We have audited the accompanying financial statements of New Jersey Firemen's Home which comprise the statement of assets, liabilities, and fund balance—cash basis as of June 30, 2024 and 2023, and the related statements of support revenue and expenses and changes in fund balance—cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of New Jersey Firemen's Home as of June 30, 2024 and 2023, and its support revenue and expenses and changes in fund balance for the years then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Jersey Firemen's Home and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1 and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 opinion. 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 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, 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 New Jersey Firemen's Home'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 New Jersey Firemen's Home'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.



Yodice & Company, P.C.

August 30, 2024

NEW JERSEY FIREMEN'S HOME
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS

	<u>JUNE 30, 2024</u>				<u>JUNE 30, 2023</u>
	<u>OPERATING FUND</u>	<u>MEDICAL FUND</u>	<u>PROPERTY FUND</u>	<u>TOTAL</u>	<u>TOTAL</u>
<u>ASSETS:</u>					
CURRENT ASSETS:					
*Cash and Cash Equivalents	\$ 19,065,724	\$ 169,448	\$ 212,786	\$ 19,447,958	\$ 19,963,881
Mutual Funds	-	-	-	-	59,579
	<u>19,065,724</u>	<u>169,448</u>	<u>212,786</u>	<u>19,447,958</u>	<u>20,023,460</u>
OTHER ASSETS;					
Guest Trust Funds Receivable	-	27,057	-	27,057	30,066
FIXED ASSETS:					
Land, Building and Equipment at cost, less Accumulated Depreciation of \$15,835,348 and \$15,080,470	-	-	6,298,592	6,298,592	7,157,608
	<u>\$ 19,065,724</u>	<u>\$ 196,505</u>	<u>\$ 6,511,378</u>	<u>\$ 25,773,607</u>	<u>\$ 27,211,134</u>
<u>LIABILITIES AND FUND BALANCE:</u>					
LIABILITIES;					
Guest Trust Funds Payable	\$ -	\$ 133,217	\$ -	\$ 133,217	\$ 128,039
COMMITMENTS					
FUND BALANCE	<u>19,065,724</u>	<u>63,288</u>	<u>6,511,378</u>	<u>25,640,390</u>	<u>27,083,095</u>
	<u>\$ 19,065,724</u>	<u>\$ 196,505</u>	<u>\$ 6,511,378</u>	<u>\$ 25,773,607</u>	<u>\$ 27,211,134</u>

* See Schedule 1

See Accompanying Notes to Financial Statements and Independent Auditor's Reports

NEW JERSEY FIREMEN'S HOME
STATEMENTS OF SUPPORT REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS

	YEAR ENDED JUNE 30, 2024				YEAR ENDED JUNE 30, 2023
	OPERATING FUND	MEDICAL FUND	PROPERTY FUND	TOTAL	TOTAL
SUPPORT REVENUE:					
Fire Insurance Tax Revenue (Title 54.18-8)	\$ 11,388,500	\$ -	\$ -	\$ 11,388,500	\$ 11,388,500
Guest Fees	-	-	-	-	150,747
Interest and Dividend Income	584,868	3,283	2,514	590,665	233,483
Contributions and Sundry Revenue	74,837	-	-	74,837	92,229
Realized Gain(Loss) on Sale of Securities	(1,444)	(1,414)	-	(2,858)	(693)
	<u>\$ 12,046,761</u>	<u>\$ 1,869</u>	<u>\$ 2,514</u>	<u>\$ 12,051,144</u>	<u>\$ 11,864,266</u>
EXPENSES:					
*Payroll and Payroll Burden	8,091,076	-	-	8,091,076	7,436,144
*Materials and Supplies	834,837	-	-	834,837	828,217
*Other Operating Expenses	3,209,168	-	-	3,209,168	3,014,704
*Maintenance Expenses	240,524	-	-	240,524	194,573
Depreciation and Sundry Expense	-	2,661	1,115,583	1,118,244	1,149,525
	<u>12,375,605</u>	<u>2,661</u>	<u>1,115,583</u>	<u>13,493,849</u>	<u>12,623,163</u>
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	(328,844)	(792)	(1,113,069)	(1,442,705)	(758,897)
FUND BALANCE; Beginning of Year	19,624,603	90,612	7,367,880	27,083,095	27,841,992
TRANSFERS:					
*To Property Fund	(256,567)	-	256,567	-	\$ -
To Operating Fund	26,532	(26,532)	-	-	\$ -
FUND BALANCE; End of Year	<u>\$ 19,065,724</u>	<u>\$ 63,288</u>	<u>\$ 6,511,378</u>	<u>\$ 25,640,390</u>	<u>\$ 27,083,095</u>

* See Schedule 2-6

See Accompanying Notes to Financial Statements and Independent Auditor's Reports

NEW JERSEY FIREMEN'S HOME
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared utilizing the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. The presented cash basis of accounting is the required method prescribed by the New Jersey Department of Human Services.

Nature of Business

The New Jersey Firemen's Home is located in Boonton, New Jersey. Nursing and residential care are provided to aged and indigent firemen who have served as a member of a New Jersey fire department for a minimum of one year.

Cash and Cash Equivalents

For the purpose of the statements of assets, liabilities and fund balance – cash basis, management has defined cash and cash equivalents to be highly liquid investments, which include cash, certificates of deposit, and money market funds.

Medical Fund

The medical fund has been established to collect and disburse funds on behalf of the guests. An individual medical account is maintained for each guest in the New Jersey Firemen's Home. The funds are not segregated, and interest earned on such funds is retained by the New Jersey Firemen's Home. The individual accounts are maintained to record the funds collected and disbursed on behalf of the guests.

The primary sources of funds collected on behalf of the guests include: Social Security benefits, pensions and personal remittances from guests or their families. The primary sources of funds disbursed on behalf of the guests include: room and board charges, medical expenses and various personal expenses. Statements are mailed to guests' families/responsible parties on a quarterly basis. When a receivable has resulted, i.e. more funds disbursed than available, the families/responsible parties are requested to remit such.

Upon admission, guests are requested to grant the New Jersey Firemen's Home a limited power of attorney to execute the aforementioned transactions. Upon the expiration or discharge of a guest, any remaining balance is returned to the guest or the guest's estate after all anticipated expenses have been paid. Such release of funds is approved by the Board of Managers. Should a deceased guest have a balance in excess of \$500 upon death, a statement which lists the executor is required from the local county surrogate.

Fixed Assets

Fixed assets are maintained in the Property Fund. Asset acquisitions with a cost of \$1,000 or more have been capitalized. Depreciation is computed on a straight line basis over the useful lives of the assets generally as follows:

Buildings and Improvements	10-50 years
Furniture and Equipment	5-10 years
Vehicles	5 years

NEW JERSEY FIREMEN'S HOME
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024 and 2023

NOTE 1 (Continued)

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as paid.

Estimates

Management uses estimates and assumptions in preparing the financial statements. These estimates and assumptions affect the disclosures relating to the Pension Plan. Actual results could differ from those estimates.

Income Taxes

The New Jersey Firemen's Home is exempt from federal income taxes under section 501 of the Internal Revenue Code. It was incorporated as a non-profit organization under the laws of the State of New Jersey.

Subsequent Events

Subsequent events have been evaluated through August 30, 2024 and August 31, 2023, which are the dates the financial statements were issued.

NOTE 2: GUEST TRUST FUNDS RECEIVABLE

Consists of medical accounts of individual guests for which more funds have been disbursed than are available. Five guests had a combined balance of \$8,795 and \$12,753 at June 30, 2024 and 2023, which is greater than 33% and 42% of the totals.

NOTE 3: GUEST TRUST FUNDS PAYABLE

Consists of medical accounts of individual guests for which more funds have been collected than have been disbursed. Five guests had a combined balance of \$115,387 and \$102,992 at June 30, 2024 and 2023, which is greater than 87% and 80% of the totals.

NOTE 4: INDIGENT GUEST EXPENSES

Consists of medical accounts of former guests which had balances due to (from) the New Jersey Firemen's Home at the time of discharge/expiration. These accounts are deemed uncollectible by the Board of Managers.

NOTE 5: PENSION PLAN

The New Jersey Firemen's Home has a Pension Plan covering substantially all of its managers. The total Pension Plan expenses disbursed during the years ended June 30, 2024 and 2023 was \$0 and \$0. The organization makes annual contributions to the plan as determined by the organization's finance committee. Effective July 1, 2000 all staff employees are covered under the New Jersey Public Employees Retirement System and do not accrue any further benefits under this plan. Total employer contributions disbursed during the years ended June 30, 2024 and 2023 to the New Jersey Public Retirement System were \$900,293 and \$733,364. A comparison of accumulated plan benefits and plan net assets at the most recent valuation dates, July 1, 2024 and 2023 are presented below:

NEW JERSEY FIREMEN'S HOME
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024 and 2023

NOTE 5 (Continued)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Vested	\$ 2,660,147	\$ 2,623,006
Non-Vested	63,863	95,575
	<u>\$ 2,724,010</u>	<u>\$ 2,718,581</u>
 Net Assets Available for Benefits	 <u>\$ 6,287,579</u>	 <u>\$ 5,895,345</u>

NOTE 6: RELATED PARTY TRANSACTIONS

The New Jersey Firemen's Home Medical Fund transferred a net \$26,532 and \$202,532 to the Operating Fund in the years ended June 30, 2023 and 2022. Investment fees and bank charges were included in the net transfers. Net transfers to the New Jersey Firemen's Home Property Fund of \$256,568 and \$239,044 were made in the years ended June 30, 2024 and 2023. Expenditures for additions are made by the Operating Fund and recorded as interfund transfers. Administrative expenses (consisting primarily of accounting, auditing and actuarial services) of \$19,623 and \$16,261 were paid by the Operating Fund on behalf of the Pension Plan in the years ended June 30, 2024 and 2023.

NOTE 7: CONCENTRATION

The primary source of support is the Fire Insurance Tax Revenue (Title 54.18-8) of \$11,388,500 which is the budget request for the year ended June 30, 2025. This amount represents 95% of total support. The budget request for fiscal year ended June 30, 2024 was \$11,388,500, which was received in fiscal year ended June 30, 2023 and represented 96% of total support.

NOTE 8: COMMITMENTS

Effective August 15, 2005, the New Jersey Firemen's Home entered into a three year food services management agreement with Unidine Corporation, whereby Unidine Corporation will provide the food, preparation and service, including therapeutic diets for residents, staff, employees and authorized visitors. The initial term was for a three year period, and will renew for one year periods, unless terminated in writing. The cost is based on a daily rate (\$38,70 as of August 30, 2024, the most recent renewal date), and a minimum of 29,120 resident days. Total food service cost relative to this agreement was \$1,190,571 and \$1,098,670 for the years ended June 30, 2024 and 2023.

Effective October 17, 2006, the New Jersey Firemen's Home entered into an agreement with Healthcare Services Group Inc. (Healthcare) whereby Healthcare will provide all necessary management, supervision, labor and materials to perform housekeeping and laundry services on the premises of the New Jersey Firemen's Home. The New Jersey Firemen's Home will retain responsibility for definitive management of all Healthcare personnel performing under this agreement. All existing housekeeping equipment will be absorbed and utilized by Healthcare in performing its duties. Any repair of, replacement of, or addition to housekeeping equipment will be the responsibility of the New Jersey Firemen's Home. These services have since been cancelled.

NEW JERSEY FIREMEN'S HOME
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2024 and 2023

NOTE 8 (Continued)

Effective May 23, 2022, the New Jersey Firemen’s Home entered into a one-year agreement with Coreworks LLC to provide the housekeeping and laundry services. The term of service began May 23, 2022 and will continue for five, one-year additional terms unless cancelled by either party within sixty days prior to the end of the current term.

Total expense relative to this agreement was \$753,314 and \$589,819 for the years ended June 30, 2024 and 2023.

On June 28, 2013 the New Jersey Firemen’s Home entered into a three year agreement with eHealth Solutions Inc., d/b/a SigmaCare (since acquired by MatrixCare), whereby MatrixCare will provide a comprehensive Medical Software package allowing the New Jersey Firemen’s Home to serve its guests’ medical needs with greater efficiency and requires a minimum monthly payment of \$1,862. This agreement will continue with successive one year periods unless either party provides a written termination letter with a 120 day notice. Total expense relative to this agreement was \$24,933 and \$18,627 for the years ended June 30, 2024 and 2023.

On July 28, 2021 the New Jersey Firemen’s Home entered into a five year agreement to lease office equipment. This agreement requires a monthly payment of \$815. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>AMOUNT</u>
2025	\$ 9,780
2026	9,780
2027	<u>815</u>
	<u>\$20,375</u>

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Supplementary Information

Board of Managers
New Jersey Firemen's Home
565 Lathrop Avenue
Boonton, NJ 07005

We have audited the financial statements of the New Jersey Firemen's Home as of and for the years ended June 30, 2024 and 2023, and our report thereon dated August 30, 2024, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The following supplementary information (Schedules 1-6, contained on pages 10-13) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Yodice & Company, P.C.

August 30, 2024

**NEW JERSEY FIREMEN'S HOME
SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

	<u>SCHEDULE 1</u>			
	<u>OPERATING FUND</u>	<u>MEDICAL FUND</u>	<u>PROPERTY FUND</u>	<u>TOTAL</u>
CASH, CASH EQUIVALENTS AND OTHER:				
Checking Accounts:				
Lakeland Bank:				
General Account	\$ 42,665	\$ 169,448	\$ 212,786	\$ 424,899
Golf Outing Account	114,381	-	-	114,381
Payroll Account	76,610	-	-	76,610
Special Accounts	165,396	-	-	165,396
	<u>399,052</u>	<u>169,448</u>	<u>212,786</u>	<u>781,286</u>
Petty Cash	<u>750</u>	<u>-</u>	<u>-</u>	<u>750</u>
Money Market Funds;				
Lakeland Bank	10,059,329	-	-	10,059,329
	<u>10,059,329</u>	<u>-</u>	<u>-</u>	<u>10,059,329</u>
Certificates of Deposit;				
Lakeland Bank	8,606,593	-	-	8,606,593
	<u>8,606,593</u>	<u>-</u>	<u>-</u>	<u>8,606,593</u>
Total Cash and Cash Equivalents	<u><u>19,065,724</u></u>	<u><u>169,448</u></u>	<u><u>212,786</u></u>	<u><u>19,447,958</u></u>

See Accompanying Notes to Financial Statements and Independent Auditor's Reports

**NEW JERSEY FIREMEN'S HOME
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30,
2024 **2023**

SCHEDULE 2

PAYROLL AND PAYROLL BURDEN:

Administration	\$ 510,308	\$ 513,411
Maintenance	398,477	432,337
Nursing and Guest Care	4,701,223	4,359,335
Payroll Tax Expense - Social Security	417,035	440,642
Payroll Tax Expense - State Unemployment	60,272	54,821
Employee Benefits - Group Insurance	1,103,468	902,234
Pension Plan Expense	900,293	733,364
	\$ 8,091,076	\$ 7,436,144
	\$ 8,091,076	\$ 7,436,144

SCHEDULE 3

MATERIALS AND SUPPLIES:

Office Supplies	\$ 66,287	\$ 60,517
Household and Clothing	108,945	96,916
Vehicular	24,064	13,863
Medical, Education and Rehabilitation Supplies	443,983	376,322
Fuel and Utilities	191,558	280,599
	\$ 834,837	\$ 828,217
	\$ 834,837	\$ 828,217

See Accompanying Notes to Financial Statements and Independent Auditor's Reports

**NEW JERSEY FIREMEN'S HOME
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30,
2024 2023**

SCHEDULE 6

TRANSFERS TO PROPERTY FUND

Buildings:

Dorm D&E Improvements	\$ -	\$ 5,030
Roof Replacement	6,600	-
Fiber Optic Lines	-	7,800
Flooring	-	47,608
Elevator Upgrade	5,500	-
Security Access Controls and Network Recorder/Camera System	37,394	-
Water Softener System and Expansion Tank	26,550	-
Physical Therapy Room Improvements	-	26,323
Sprinkler System Upgrades	-	36,220
Various New Doors	-	17,680
	\$ 76,044	\$ 140,661

Furniture and Equipment:

Guest Furniture and Bedding	\$ 158,740	\$ -
Kitchen Equipment	-	30,664
Computer and Electronic Equipment	2,949	17,176
Medical Equipment	18,834	-
Landscape Equipment	-	10,905
Office Furniture	-	5,117
Physical Therapy Equipment	-	33,521
	\$ 180,523	\$ 97,383

Cash Transfer to Property Fund	-	1,000
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Net Transfers to Property Fund	\$ 256,567	\$ 239,044
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See Accompanying Notes to Financial Statements and Independent Auditor's Reports