LENGTH OF SERVICE

AWARD PROGRAM (LOSAP)

TOWNSHIP OF UPPER FIRE DISTRICT #4

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2025 and 2024

UPPER TOWNSHIP FIRE DISTRICT #4
LENGTH OF SERVICE AWARDS PROGRAM
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FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Township of Upper Fire District #4
Seaville, New Jersey 08230

We have reviewed the accompanying statement of net assets available for benefits for the Upper Township Fire District #4, Length of Service Awards Program as of December 31, 2025 and 2024, the related statement of changes in net assets available for benefits for the fiscal year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Plan 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Upper Township Fire District #4 Length of Service Award Program and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Cocozza, Jr.
Harvey C. Cocozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

August 7, 2026

Upper Township Fire District #4
Length of Service Award Program (LOSAP)
Statement of Net Assets Available for Benefits
Year Ended December 31,

		2025	2024
Assets			
Investments			
Mutual Funds	$	188,958	221,627
Employer Contributions Receivable		-	28,505
Total Assets		188,958	250,132
Liabilities and Net Assets			
Net Assets Available for Benefits		188,958	250,132
Total Liabilities and Net Assets	$	188,958	250,132

See accompanying Notes and Accountant's Review Report

Upper Township Fire District #4
Length of Service Award Program (LOSAP)
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31,

		2025	2024
Additions			
Additions to net assets attributed to:			
Investment Income			
Interest Income	$	5,131	7,178
Contributions			
Employer		29,088	29,130
Total Additions		34,219	36,308
Deductions			
Deductions from net assets attributable to:			
Benefits paid to participants		90,081	47,987
Forfeitures		4,587	
Administrative fee		725	750
Total Deductions		95,393	48,737
Net Increase / (Decrease)		(61,174)	(12,429)
Net Assets Available for Benefits			
Net Assets, Beginning		250,132	262,561
Net Assets, Ending	$	188,958	250,132

See accompanying Notes and Accountant's Review Report

NOTES TO THE FINANCIAL STATEMENTS

UPPER TOWNSHIP FIRE DISTRICT #4
LENGTH OF SERVICE AWARDS PROGRAM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1: DESCRIPTION OF PROGRAM

The following description of the Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 provides only general information. Participants should refer to the Program agreement for a more complete description of the Program's provisions. The Township of Upper Fire District #4 is the Program sponsor.

General – The Program is a defined contribution Program covering volunteers in the Township of Upper Fire District #4 who have performed sufficient services as defined by the LOSAP plan document. The LOSAP plan was approved by the voters of the Upper Township Fire District #4 in March of 2002.

Contributions – The Fire District's contribution on behalf of a participant for the current year is $1,081.05. The contribution is for each volunteer who meets the service requirement in each calendar year.

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 subject to the general creditors of the Fire 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Program administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Fees and Costs

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

Employer Contributions

All employer contributions are paid to Lincoln Financial Group within a reasonable time in the year subsequent to the year in which the required points have been earned and certified by the chief of the fire company as applicable.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment contracts held by a defined contribution plan are required to be reported at fair value. The fixed account investment contract is presented at contract value, which approximates fair value. Contract value represents contributions received plus interest earned to date, less applicable charges and amounts withdrawn. The interest rate credited to the account is based on the overall rate of return for the entire portfolio.

Mutual fund investment income consists of dividends earned and realized and unrealized gains and losses attributable to the mutual funds.

Earnings are accrued to individual participants accounts based upon the investment performance of the specific options selected.

Allowance for Credit Losses

The Length of Service Award Program (LOSAP) reports an Employer Contribution Receivable at year end from the Fire District on behalf of qualifying participants. Based on historical data which has been adjusted for management's understanding of current conditions, the LOSAP's expected credit loss is zero.

NOTE 3: INVESTMENTS

All investment balances at December 31, 2025 and 2024 are certified by Lincoln Financial Group and are valued at market value as stated by Lincoln Financial Group.

During 2025 and 2024 the Program's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $5,131 and $7,178, respectively as follows:

		2025	2024
Interest Income	$	5,131	7,178

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 investments are reported at fair value in the accompanying statement of financial position.

Fair Value
Measurerments Using:

	Fair Value	Other Significant Observable Inputs (Level 2)
December 31, 2025		
Annuity	$ 188,958	188,958
Total	188,958	188,958
December 31, 2024		
Annuity	221,627	221,627
Total	$ 221,627	221,627

Generally Accepted Accounting Principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 measures fair value using Level 2 inputs. No Level 1 or 3 inputs were available to Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 in years ended December 31, 2025 and 2024.

Level 2 Fair Value Measurements

The fair value of the equity securities is based on quoted prices of similar assets in a non-active market held by Length of Service Award Program (LOSAP) of Township of Upper Fire District #4 at year-end.

NOTE 5: PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the participant-directed investments is as follows:

Change in Net Assets:		December 31, 2025	December 31, 2024
Contributions	$	29,088	29,130
Administration Expenses		(725)	(750)
Forfeitures		(4,587)	
Benefits Paid to Participants		(90,081)	(47,987)
Investment Earnings		5,131	7,178
	$	(61,174)	(12,429)

NOTE 6: PROGRAM TERMINATION

The Fire District Resolution and the enabling legislation do not have any provisions for program termination.

NOTE 7: TAX STATUS

The LOSAP was established as a Deferred Compensation Plan pursuant to Section 457 of the Internal Revenue Code (IRC) of 1986, as amended, except for specific provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document.

Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Township of Upper Fire District #4 subject only to the claims of the District's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the District, and each participant's rights are equal to his or her share of the fair market value of the plan assets.

NOTE 8: SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 24, 2026, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.