

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Fire District No. 1, Mount Holly Township in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with auditing standards prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our 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 Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey, as of December 31, 2019, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 5, 2020, on our consideration of Fire District No.1, Mount Holly Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fire District No.1, Mount Holly Township's internal control over financial reporting and compliance.

*MoHEL Elliott Bauer & Gass*

Toms River, New Jersey  
August 5, 2020

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the government activities and each major fund of Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the Fire District No.1, Mount Holly Township's basic financial statements, and have issued our report thereon dated August 5, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire District No.1, Mount Holly Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District No.1, Mount Holly Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District No.1, Mount Holly Township's internal control.

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

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

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District No.1, Mount Holly Township'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 determination of financial statement amounts. 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, 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. Accordingly, this communication is not suitable for any other purpose.

*Mohe Elliott Bauer & Gass*

Toms River, New Jersey  
August 5, 2020

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

As management of Fire District No. 1, Mount Holly Township (hereafter referred to as the "Fire District"), we offer readers of the Fire District's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2019. 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 financial statements to enhance their understanding of the Fire District's financial performance.

**Financial Highlights**

- The net position of the fire district which represents the difference between assets and liabilities was \$1,439,765. This represents an increase of \$152,284 from 2018.
- The amount raised by taxation was \$617,845 or 92.63 percent of all revenues. Interest, Uniform Fire Safety Act and other income amounted to \$49,141 or 7.37 percent of all revenues.
- Total expenditures were \$514,702 as compared to \$493,818 in 2018; a increase of \$20,884 or 4.23 percent.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. Fire District No. 1, Mount Holly Township's basic financial statements is comprised of three components: district-wide financial statements; fund financial statements; and notes to the basic financial statements.

**Reporting on the District as a Whole**

Our analysis of the District as a whole begins on page 12. District-wide financial statements are provided to give the reader a broad overview of the District's financial position and its financial activity for the year. It is presented in a format similar to the private sector to give the reader a familiar point of reference.

The Statement of Net Position presents information on all the assets and liabilities of Fire District No. 1, Mount Holly Township. The difference between the two is reported as the District's Net Position. Significant increases or decreases in the District's Net Position can be an indication of the financial health of the District.

The Statement of Activities presents financial information about activities that result in the District's Net Position increasing or decreasing during the year. Financial activities are recorded when the transactions occur rather than when the cash is received or paid out. As a result, there could be activities that result in cash flow in a future period.



**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

**Reporting on the District as a Whole (Continued)**

The district-wide financial statements report on the financial data by function. Fire District No. 1, Mount Holly Township provides firefighting services to the citizens of Mount Holly Township.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Fire District No. 1, Mount Holly Township uses fund accounting to document compliance with finance-related legal matters. Fire District No. 1, Mount Holly Township has two types of fund groups, and that is the general fund and capital projects fund.

**Governmental Funds**

Fire District No. 1, Mount Holly Township's activities are all reported in governmental funds. These funds record the flow of cash in and out of the District during the period and the balances remaining at year end for future periods. The modified accrual basis of accounting is utilized for reporting purposes. This method of accounting measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services that it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's services.

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

As required by N.J.S.A. 40A:14-78-3, Fire District No. 1, Mount Holly Township adopts an annual budget which is voted on by the legal voters of the district on the third Saturday in February. Budgetary comparison schedules have been prepared to document compliance with budgetary requirements.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements are an integral part of the financial statements.

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Fire District No. 1, Mount Holly Township's Net Position is a useful indicator of the District's financial condition. At the end of 2019 the District's assets exceeded the liabilities by \$1.44 million. A significant portion of Fire District No. 1, Mount Holly Township's Net Position is its investment in capital assets. The District uses these assets to provide fire-fighting services to the community; consequently, these assets are not available for future spending.

**Statement of Net Position:**

**FIRE DISTRICT NO. 1, MOUNT HOLLY TOWNSHIP  
NET POSITION  
DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Total assets	\$ 1,441,954	\$ 1,421,386	\$ 20,568	1.4%
Total liabilities	2,189	133,905	(131,716)	(98.4%)
Net position	<u>\$ 1,439,765</u>	<u>\$ 1,287,481</u>	<u>\$ 152,284</u>	11.8%

**Analysis of net position**

Invested in capital assets, net	\$ 1,013,909	\$ 822,263	\$ 191,646	23.3%
Restricted for:				
Capital projects	154,369	154,369	-	0.0%
Unrestricted	271,487	310,849	(39,362)	(12.7%)
Total net position	<u>\$ 1,439,765</u>	<u>\$ 1,287,481</u>	<u>\$ 152,284</u>	11.8%

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

**Governmental Activities**

The Statement of Activities shows the cost of the governmental activities and general revenues. A summary of these activities follows:

	<u>2019</u>	<u>2018</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Expenses				
Administrative expenses	\$ 110,194	\$ 108,779	\$ 1,415	1.30%
Cost of operations and maintenance	295,412	293,714	1,698	0.58%
Operating expenses offset with revenue	40,239	32,920	7,319	22.23%
Depreciation	68,857	58,405	10,452	17.90%
Total program expenses	<u>514,702</u>	<u>493,818</u>	<u>20,884</u>	4.23%
General revenues				
Property taxes levied for:				
General purposes	617,845	427,845	190,000	44.41%
Capital projects	-	190,000	(190,000)	(100.00%)
Total property taxes levied	<u>617,845</u>	<u>617,845</u>	<u>-</u>	0.00%
Uniform fire safety act	42,714	39,484	3,230	8.18%
Supplemental fire safety grant	4,246	4,246	-	0.00%
Investment income	2,081	3,155	(1,074)	(34.04%)
Other revenue	100	701	(601)	(85.73%)
Total general revenues	<u>666,986</u>	<u>665,431</u>	<u>1,555</u>	0.23%
Increase in net position	152,284	171,613	(19,329)	(11.26%)
Net position, January 1	1,287,481	1,115,868	171,613	15.38%
Net position, December 31	<u>\$ 1,439,765</u>	<u>\$ 1,287,481</u>	<u>\$ 152,284</u>	11.83%

**FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS**

Fire District No. 1, Mount Holly Township uses fund accounting to document compliance with finance-related legal requirements.

**Government Fund**

The primary objective of the District's governmental funds is to report on cash flows in and out during the period and the ending balances of the spendable resources. This information is useful to evaluate the performance of the district and to assess its future needs and available resources.

As of December 31, 2019, the combined balance of the governmental cash and investment funds of Fire District No. 1, Mount Holly Township was approximately \$410 thousand. This balance is approximately \$172,000 less than last year's combined governmental funds balance.

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

**FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS (Continued)**

The combined fund balance of the governmental funds of Fire District No. 1, Mount Holly Township was a surplus of approximately \$426,000 thousand. Amounts of approximately \$154,000 is restricted for capital, \$185,000 is assigned for subsequent years expenditures and \$87,000 is unassigned.

The general fund is the main operating fund of Fire District No. 1, Mount Holly Township. At the end of 2019, the total fund balance of the general fund was approximately \$271,000.

During 2019 the general fund balance surplus unassigned of Fire District No. 1, Mount Holly Township increased by approximately \$39,000. The primary reason for this increase is primarily due to the decrease in fund balance assigned and utilized.

At the end of 2019, the District has a capital projects fund balance of approximately \$154,000. This was no change from the previous year.

**General Fund Budgetary Highlights**

The original budget had an approximate projected deficit of \$(265,000). The District had total revenues (deficiency) in excess of expenditures of approximately \$(39,000) in 2019.

Administrative expenses were approximately \$72,000 less than projected in 2019. Operating expenses were approximately \$143,000 less than projected in 2019.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2019 Fire District No. 1, Mount Holly Township had invested in capital assets for government activities of approximately \$1,014,000 (net of accumulated depreciation). Capital assets consist of land, buildings and improvements, fire apparatus, fire equipment and construction in progress.

	<b>CAPITAL ASSETS DECEMBER 31, 2019</b>		
	<u>2019</u>	<u>2018</u>	<u>\$ Increase (Decrease)</u>
Capital assets			
Land	\$ 74,600	\$ 74,600	\$ -
Building and improvements	123,400	123,400	-
Apparatus	1,279,005	1,279,005	-
Equipment	312,257	312,257	-
Construction in progress	686,732	426,229	260,503
Total capital assets	<u>2,475,994</u>	<u>2,215,491</u>	<u>260,503</u>
Accumulated depreciation	(1,462,085)	(1,393,228)	(68,857)
Total capital assets, net	<u>\$ 1,013,909</u>	<u>\$ 822,263</u>	<u>\$ 191,646</u>

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Debt Administration**

As of December 31, 2019 there is no debt.

**ECONOMIC FACTORS AND NEXT YEARS BUDGET**

In 2019, Fire District No. 1, Mount Holly Township was able to fund its appropriations through the fire tax levy and other revenues. The 2019 budget anticipated a deficit of \$265,412 but finished the year with a deficit of \$39,392.

Fire District No. 1, Mount Holly Township adopted the 2020 budget on January 16, 2020. The 2020 budget reflects a 0.0% increase in the tax levy compared to 2019. The proposed budget reflects no change in the tax rate for 2020. The proposed tax rate per \$100 of assessed value will be \$.096.

**REQUESTS FOR INFORMATION**

The District financial report is designed to provide users of the financial statements with a general overview of the District's finances and to show the District's accountability for the money it receives. The financial statements of the District are a matter of public record.

If you have any questions about this report or need additional information please contact The Board Clerk at 100 Garden Street, Mount Holly, New Jersey 08060.

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>2019</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 409,617
Accounts receivable - UFSA	5,276
Prepaid expenses	1,152
Escrow deposit	12,000
Capital assets, net	<u>1,013,909</u>
<b>Total assets</b>	<u>1,441,954</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	<u>2,189</u>
<b>Total liabilities</b>	<u>2,189</u>
<b>NET POSITION</b>	
Net invested in capital assets	1,013,909
Restricted for capital projects	154,369
Unrestricted	<u>271,487</u>
<b>Total net position</b>	<u>\$ 1,439,765</u>

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

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>
<b>Expenses:</b>	
Operating appropriations:	
Administration	\$ 110,194
Cost of operations and maintenance	295,412
Operating appropriations offset with revenue	40,239
Depreciation - unallocated	<u>68,857</u>
<b>Total program expenses</b>	<u>514,702</u>
<b>General revenues:</b>	
Amount raised by taxation	617,845
Uniform fire safety act	42,714
Supplemental fire safety grant	4,246
Investment income	2,081
Other income	<u>100</u>
<b>Total general revenues</b>	<u>666,986</u>
<b>Change in net position</b>	152,284
<b>Net position - beginning of year</b>	<u>1,287,481</u>
<b>Net position - end of year</b>	<u><u>\$ 1,439,765</u></u>

The accompanying notes are an integral part of these financial statements

FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and cash equivalents	\$ 267,248	\$ 142,369	\$ 409,617
Accounts receivable	5,276		5,276
Prepaid expenses	1,152		1,152
Escrow deposit		12,000	12,000
<b>Total assets</b>	<u>273,676</u>	<u>154,369</u>	<u>428,045</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	<u>2,189</u>		<u>2,189</u>
<b>Total liabilities</b>	<u>2,189</u>	<u>-</u>	<u>2,189</u>
<b>FUND BALANCES</b>			
Restricted for Capital Projects		154,369	154,369
Assigned - Designated for subsequent year's expenditures	184,422		184,422
Unassigned	<u>87,065</u>		<u>87,065</u>
<b>Total fund balances</b>	<u>271,487</u>	<u>154,369</u>	<u>425,856</u>
<b>Total liabilities and fund balances</b>	<u>\$ 273,676</u>	<u>\$ 154,369</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 \$2,475,994 and the accumulated depreciation is \$1,462,085.

	<u>1,013,909</u>
\$	<u>1,439,765</u>

The accompanying notes are an integral part of these financial statements



**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Amount raised by taxation	\$ 617,845	\$	\$ 617,845
Uniform fire safety act	42,714		42,714
Supplemental fire safety grant	4,246		4,246
Investment income	2,081		2,081
Other income	100		100
	<u>666,986</u>	<u>-</u>	<u>666,986</u>
<b>Total revenues</b>			
	<u>666,986</u>	<u>-</u>	<u>666,986</u>
<b>Expenditures:</b>			
Administration	370,697		370,697
Cost of operations and maintenance	295,412		295,412
Operating appropriations offset with revenue	40,239		40,239
	<u>706,348</u>	<u>-</u>	<u>706,348</u>
<b>Total expenditures</b>			
	<u>706,348</u>	<u>-</u>	<u>706,348</u>
Excess of revenues over expenditures	(39,362)	-	(39,362)
Fund balance, January 1	310,849	154,369	465,218
	<u>310,849</u>	<u>154,369</u>	<u>465,218</u>
Fund balance, December 31	\$ 271,487	\$ 154,369	\$ 425,856
	<u>\$ 271,487</u>	<u>\$ 154,369</u>	<u>\$ 425,856</u>

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

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Total net changes in fund balance - governmental funds (B - 2)	\$	(39,362)
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Amounts reported for governmental activities in the statement of activities  
(A - 2) are different because:

Capital outlays are reported in governmental funds as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over their  
useful lives as depreciation expense

Capital outlays professional fees - general fund	260,503		
Depreciation expense	<u>(68,857)</u>		
			<u>191,646</u>
Changes in net position of governmental activities (A - 2)	\$		<u><u>152,284</u></u>

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

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**GENERAL INFORMATION**

**A. Description of Reporting Entity**

Fire District No. 1, Mount Holly Township is a political subdivision of the Township of Mount Holly, County of Burlington, State of New Jersey. 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 the *N.J.S.A. 40A: 14-70* et al. and are taxing authorities charged with the responsibility of providing the resources necessary to provide fire fighting services to the residents within its territorial location.

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

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

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

**B. District Officials**

The District is governed by a board of five commissioners. The following were in office at December 31, 2019;

<u>Officials</u>	<u>Term Expires March</u>
Richard McIlwee, Chairman	2020
Jason Fajgier, Vice Chairman	2021
Stefanie Haines, Secretary	2021
Joshua Brown, Treasurer	2022
Vacant, Commissioner	2020

**C. Accounting Records**

The official accounting records of the Fire District No. 1, Mount Holly Township are maintained in the office of the district.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Fire District No. 1, Mount Holly Township (the "Fire District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Government-wide and Fund Financial Statements**

The Fire District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. The Fire District's operations consist of governmental activities, which normally are supported by property taxes.

The statement of activities demonstrates the degree to which the direct expenses of a given function of segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function.

In regards to the fund financial statements, the Fire District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Fire District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied, as under New Jersey State Statute, Statute, a municipality is required to remit to its fire district the entire balance of taxes in the amount voted upon or certified, prior to the end of the fire district year. The Fire District records the entire approved tax levy as revenue (accrued) at the start of the year since the revenue is both measurable and available. The Fire District is entitled to receive moneys under the following established payment 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Fire District considers revenues to be available if they are collected within sixty (60) days of the end of the current year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, reimbursable-type grants, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenue items are considered to be measurable and available only when cash is received by the Fire District.

The Fire District reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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:14-78.5.

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.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at year-end.

The budget, as detailed on exhibit C-1, includes all amendments and modifications to the adopted budget has approved by the Board of Commissioners.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at 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 governmental funds, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

The encumbered appropriation authority carries over into the next year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current year end. The encumbrances at December 31, 2019 totaled \$0 for the general fund and \$0 for the capital projects fund.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey fire districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey fire districts.

N.J.S.A. 17:9-41 et 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 of 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.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories**

Inventories recorded on the government-wide financial statements are recorded as expenses when consumed rather than when purchased. The Fire District did not have any significant inventory for the year ended December 31, 2019.

**Prepaid Expenses**

Prepaid expenses recorded on the government-side financial statements represent payments made to vendors for services that will benefit periods beyond December 31, 2019.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Fire District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Fire District's capitalization threshold is \$5,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and improvements	30 years
Apparatus	5 -10 years
Equipment	5-15 years

**Pension Plans**

None of the District's employees participate in the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP).

**(Continued)**



**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position**

Net position represents the difference between the summation of assets and the summation of liabilities. 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 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 laws or regulations of other governments.

**Unrestricted** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Fire District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is 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 of 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" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted 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 (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed 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. Such formal actions consists of an affirmative vote by the Board of Fire Commissioners, memorialized by the adoption of a resolution. 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 (resolution) it employed to previously commit those amounts.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)**

**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 either the Board of Fire Commissioners or by the Fire Chief, to which the Board of Fire Commissioners has delegated the authority to assign amounts to be used for specific purposes. Such authority of the Fire Chief is established by way of a formal job description for the position, approved by the Board of Fire 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.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Fire District to spend restricted fund balances first. Moreover, when expenditures are 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 appropriated in the following order: committed, assigned, and then unassigned.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**Subsequent Events**

The District has evaluated subsequent events through August 5, 2020, the date the financial statements were available to be issued.

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Fire District's deposits might 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 Act ("GUDPA"). 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 Fire District in excess of FDIC insured amounts are protected by GUDPA.

**PROPERTY TAX LEVIES:**

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

<u>Calendar Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/2019	\$ 643,167,058	\$ 617,845	0.096
12/31/2018	\$ 644,971,068	\$ 617,845	0.096
12/31/2017	\$ 644,816,746	\$ 617,845	0.096
12/31/2016	\$ 644,819,746	\$ 617,845	0.096
12/31/2015	\$ 646,720,773	\$ 617,845	0.096

(Continued)

FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

**CAPITAL ASSETS**

Capital assets together with accumulated depreciation and estimated useful lives consists of the following at December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Estimated Useful Life (Years)</u>
<b>Assets</b>					
Land	\$ 74,600	\$ -	\$ -	\$ 74,600	-
Building and improvements	123,400	-	-	123,400	30
Fire apparatus	1,279,005	-	-	1,279,005	5 - 10
Fire equipment	312,257	-	-	312,257	5 - 15
Construction in progress	<u>426,229</u>	<u>260,503</u>	<u>-</u>	<u>686,732</u>	-
	2,215,491	260,503	-	2,475,994	
Less: accumulated depreciation	<u>(1,393,228)</u>	<u>(68,857)</u>	<u>-</u>	<u>(1,462,085)</u>	
	<u>\$ 822,263</u>	<u>\$ 191,646</u>	<u>\$ -</u>	<u>\$ 1,013,909</u>	

**ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	<u>2019</u>
Accrued payroll taxes	\$ <u>2,189</u>
	\$ <u>2,189</u>

(Continued)

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**FAIR VALUE MEASUREMENTS**

The District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

- Level 1     Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.
- Level 2     Inputs that include quoted market prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3     Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised values.

Subsequent to initial recognition, the District may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

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

**(Continued)**

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
(Continued)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**SPECIAL ELECTION**

On December 12, 2015 a special election was held and the legal voters of the Township of Mount Holly approved a \$7,900,000 bond proposal. This proposal includes the construction of additions and renovations to the Relief Fire House, the necessary equipment and furniture for the improvements to the firehouse, and to make the necessary onsite and offsite improvements. It is anticipated that bonds will be issued to finance these improvements and the debt will be funded in future budgets.

## REQUIRED SUPPLEMENTARY INFORMATION

FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Modified</u>		
<b>Revenues</b>				
Miscellaneous anticipated revenues:				
Interest investments and deposits	\$ 2,501	\$ 2,501	\$ 2,081	\$ (420)
Other revenue	700	700	100	(600)
Total miscellaneous anticipated revenues	3,201	3,201	2,181	(1,020)
Operating grant revenue:				
Supplemental fire safety grant	4,246	4,246	4,246	-
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act	39,896	39,896	42,714	2,818
Amount to be raised by taxation to support the district budget	617,845	617,845	617,845	-
Total anticipated revenues	665,188	665,188	666,986	1,798
Non-budgetary revenues:				
Miscellaneous	-	-	-	-
<b>Total revenues</b>	665,188	665,188	666,986	1,798
<b>Expenditures</b>				
Operating appropriations:				
Administration:				
Salary and wages	61,350	61,350	60,173	1,177
Commissioners	7,500	7,500	7,125	375
Fringe benefits	6,375	6,375	4,528	1,847
Professional services	331,000	331,000	277,071	53,929
Office expenses	25,300	25,300	18,045	7,255
Elections	1,000	1,000	794	206
Advertising	2,000	2,000	1,457	543
Public relations	1,500	1,600	1,504	96
Training and education	7,000	6,900	-	6,900
Total administration	443,025	443,025	370,697	72,328

(Continued)



FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Expenditures (Continued)	Original	Modified		
Cost of operations and maintenance:				
Salary and wages	40,000	40,000	-	40,000
Fringe benefits	2,104	2,104	-	2,104
Fire hydrant rental	120,000	120,000	109,127	10,873
Maintenance and repairs	57,000	57,500	57,457	43
Apparatus officer	2,000	2,000	2,000	-
Communications maintenance	1,000	1,000	213	787
County Association	250	250	170	80
Dues and subscriptions	500	600	550	50
Exempt Association	775	775	-	775
Health and fitness	2,500	2,500	-	2,500
Member recognition	10,000	10,000	915	9,085
Motor fuels	3,500	3,500	2,651	849
Office supplies	1,000	1,000	663	337
Supplies and materials	250	250	-	250
Training and education	7,500	7,500	1,935	5,565
Uniforms	5,000	5,000	-	5,000
Volunteer incentive	15,000	15,000	6,240	8,760
Insurance	72,000	72,000	57,865	14,135
Lease - Relief	25,000	25,000	3,590	21,410
Rental charges	1,500	2,500	2,464	36
Uniform Fire Safety	12,200	1,600	-	1,600
Utilities	48,600	48,600	44,791	3,809
Non-Bondable equipment	20,000	20,000	4,781	15,219
Total cost of operations and maintenance	447,679	438,679	295,412	143,267
Operating appropriations offset with revenue:				
Salary and wages	36,000	36,000	29,529	6,471
Fringe benefits	3,896	3,896	2,200	1,696
Other expenses	-	9,000	8,510	490
Total operating appropriations offset with revenue	39,896	48,896	40,239	8,657
Capital appropriations:				
Capital appropriations	-	-	-	-
<b>Total expenditures</b>	<b>930,600</b>	<b>930,600</b>	<b>706,348</b>	<b>224,252</b>
Excess (deficiency) of revenues over (under) expenditures	(265,412)	(265,412)	(39,362)	226,050
Fund balance, January 1			465,218	
Fund balance, December 31			<u>\$ 425,856</u>	
<b>RECAPITULATION OF FUND BALANCE</b>				
Restricted fund balance				
Capital projects			\$ 154,369	
Assigned fund balance				
Designated for subsequent year's expenditures			184,422	
Unassigned fund balance			<u>87,065</u>	
Total fund balance per governmental funds			<u>\$ 425,856</u>	

**FIRE DISTRICT NO. 1  
MOUNT HOLLY TOWNSHIP  
RECONCILIATION OF BUDGET TO STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2018**

## Sources/Inflows of Resources:

Actual amount (budgetary basis) total revenues from budgetary comparison schedule (C - 1)	\$ <u>666,986</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	\$ <u><u>666,986</u></u>

## Use/Outflows of Resources:

Actual amount (budgetary basis) total expenditures from budgetary comparison schedule (C - 1)	<u>706,348</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	\$ <u><u>706,348</u></u>

## **SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FIRE DISTRICT NO.1  
MOUNT HOLLY TOWNSHIP  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, 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 audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**FIRE DISTRICT NO.1  
MOUNT HOLLY TOWNSHIP  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND RECOMMENDATIONS AS PREPARED BY MANAGEMENT**

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

None.