

**FIRE DISTRICT NO. 1
MOUNT HOLLY TOWNSHIP
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
WITH
INDEPENDENT AUDITOR'S REPORT**

**MOUNT HOLLY TOWNSHIP
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

TABLE OF CONTENTS

	<u>Page</u>
Independent auditor's report	1 - 3
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	4 - 5
Management's discussion and analysis	6 - 11
Financial statements:	
A. Government-wide Financial Statements	
A - 1 - Statement of net position	12
A - 2 - Statement of activities	13
B. Governmental Funds Fund Financial Statements	
B - 1 - Balance Sheet	14
B - 2 - Statement of revenues, expenditures and changes in fund balances	15
B - 3 - Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	16
Notes to financial statements	17 - 27
Required supplementary information:	
C. Budgetary Comparison Schedule	
C - 1 - Budgetary comparison schedule - general fund	28 - 29
C - 2 - Reconciliation of budget to statement of revenues, expenditures, and changes in fund balance	30
Schedule of Debt Service Requirements, By Year	31
Schedule of Findings and Recommendations	
Schedule of Financial Statement Findings	32
Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	33

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Fire District No.1, Mount Holly Township in the County of Burlington, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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 Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

-1-



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:
 - Exercise professional judgment and maintain professional skepticism throughout the audit.
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2026, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fire District No.1, Mount Holly Township in the County of Burlington, State of New Jersey's 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.


VENNING & COMPANY, LLC
Certified Public Accountants

July 15, 2026
Toms River, New Jersey

**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
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 and the aggregate remaining fund information 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, 2025, and the related notes to the financial statements which collectively comprise Fire District No.1, Mount Holly Township's basic financial statements, and have issued our report thereon dated July 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire District No.1, Mount Holly Township's internal control over financial reporting (internal control) as a basis for designing 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 were not identified.

-4-



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Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, 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.


VENNING & COMPANY, LLC
Certified Public Accountants

July 15, 2026
Toms River, New Jersey

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, 2025. 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 \$4,023,839. This represents an increase of \$263,999 from 2024.
- The amount raised by taxation was \$1,633,585 or 96.00 percent of all revenues. Interest, Uniform Fire Safety Act, Supplemental fire safety grant and other income amounted to \$68,067 or 4.00 percent of all revenues.
- Total expenditures were \$1,437,653 as compared to \$1,073,441 in 2024; a increase of \$364,212 or 33.93 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.

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(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.

Fire District No. 1, Mount Holly Township has elected a November election date. As required by N.J.S.A. 40A:14-78-3, the District adopts an annual budget which is approved for adoption by the DCA. 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.

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(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 2025, the District's assets exceeded the liabilities by \$4.02 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, 2025**

	<u>2025</u>	<u>2024</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Total assets	\$ 10,555,602	\$ 10,658,265	\$ (102,663)	(0.96%)
Total liabilities	6,531,763	6,898,425	(366,662)	(5.32%)
Net position	<u>\$ 4,023,839</u>	<u>\$ 3,759,840</u>	<u>\$ 263,999</u>	7.02%

Analysis of net position

Invested in capital assets, net	\$ 2,987,373	\$ 2,569,509	\$ 417,864	16.26%
Restricted for:				
Capital projects	559,253	645,000	(85,747)	(13.29%)
Unrestricted	477,213	545,331	(68,118)	(12.49%)
Total net position	<u>\$ 4,023,839</u>	<u>\$ 3,759,840</u>	<u>\$ 263,999</u>	7.02%

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)**

Governmental Activities

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

	<u>2025</u>	<u>2024</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Expenses				
Administrative expenses	\$ 289,013	\$ 224,110	\$ 64,903	28.96%
Cost of operations and maintenance	689,183	438,465	250,718	57.18%
Operating expenses offset with revenue	47,970	46,402	1,568	3.38%
Bond interest expense	140,355	146,983	(6,628)	(4.51%)
Depreciation	271,132	217,481	53,651	24.67%
Total program expenses	<u>1,437,653</u>	<u>1,073,441</u>	<u>364,212</u>	33.93%
General revenues				
Property taxes levied for:				
General purposes	889,981	821,602	68,379	8.32%
Capital projects	235,000	340,000	(105,000)	(30.88%)
Bond debt service	508,604	471,983	36,621	7.76%
Total property taxes levied	<u>1,633,585</u>	<u>1,633,585</u>	-	0.00%
Uniform fire safety act	47,970	46,402	1,568	3.38%
Supplemental fire safety grant	4,246	4,246	-	0.00%
Investment income	15,846	12,109	3,737	30.86%
Other revenue	5	-	5	
Total general revenues	<u>1,701,652</u>	<u>1,696,342</u>	<u>5,310</u>	0.31%
Increase in net position	263,999	622,901	(358,902)	(57.62%)
Net position, January 1	3,759,840	3,136,939	622,901	19.86%
Net position, December 31	<u>\$ 4,023,839</u>	<u>\$ 3,759,840</u>	<u>\$ 263,999</u>	7.02%

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, 2025, the combined balance of the governmental cash and investment funds of Fire District No. 1, Mount Holly Township was approximately \$1.165 million. This balance is approximately \$390 thousand more than last year's combined governmental funds balance.

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(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 \$1,036,500. Amounts of approximately \$559,000 is restricted for capital, \$206,639 is assigned for subsequent years expenditures and \$270,574 is unassigned.

The general fund is the main operating fund of Fire District No. 1, Mount Holly Township. At the end of 2025, the total fund balance of the general fund was approximately \$477,000.

During 2025 the general fund balance surplus of Fire District No. 1, Mount Holly Township decreased by approximately \$68,000. The primary reason for this decrease is higher capital expenditures than budget amounts.

At the end of 2025, the District has a capital projects fund balance of approximately \$559,000. This was a decrease of approximately \$86,000 from the previous year.

General Fund Budgetary Highlights

The original budget had an approximate projected deficit of \$(147,000). The District had total revenues (deficiency) in excess of expenditures of approximately \$(154,000) in 2025.

Administrative expenses were approximately \$42,000 less than projected in 2025. Operating expenses were approximately \$58,000 less than projected in 2025. Capital was budgeted for \$235,000 with \$320,747 expenditures in 2025. Debt service budgeted for approximately \$477,000 but actual was \$509,000 due to the financing of two Ford Explorers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2025 Fire District No. 1, Mount Holly Township had invested in capital assets for government activities of approximately \$9,374,000 (net of accumulated depreciation). Capital assets consist of land, buildings and improvements, fire apparatus, fire equipment and construction in progress.

	CAPITAL ASSETS DECEMBER 31, 2025		
	<u>2025</u>	<u>2024</u>	<u>\$ Increase (Decrease)</u>
Capital assets			
Land	\$ 74,600	\$ 74,600	\$ -
Building and improvements	123,400	123,400	-
Apparatus	1,470,548	1,279,005	191,543
Equipment	385,245	350,245	35,000
Construction in progress	9,512,585	9,512,585	-
Total capital assets	<u>11,566,378</u>	<u>11,339,835</u>	<u>226,543</u>
Accumulated depreciation	<u>(2,192,636)</u>	<u>(1,921,504)</u>	<u>(271,132)</u>
Total capital assets, net	<u>\$ 9,373,742</u>	<u>\$ 9,418,331</u>	<u>\$ (44,589)</u>

**MOUNT HOLLY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

In November 2020 the Fire District issued \$7,900,000 general obligation bonds. The bonds will be used for 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. The bonds are dated November 17, 2020. Interest is payable semi-annually on April 15 and October 15, commencing April 15, 2021. The coupon rates are 2% to 2.25%.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

In 2025, Fire District No. 1, Mount Holly Township was able to fund its appropriations through the fire tax levy and other revenues. The 2025 budget anticipated a deficit of \$147,000 but finished the year with a deficit of \$153,865.

Fire District No. 1, Mount Holly Township adopted the 2026 budget on February 27, 2026. The 2026 budget reflects a 4.8% increase in the tax levy compared to 2025. The proposed budget reflects a increase in the tax rate for 2026 of \$.011 . The proposed tax rate per \$100 of assessed value will be \$.264.

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 17 Pine Street, Mount Holly, New Jersey 08060.

**FIRE DISTRICT NO. 1
MOUNT HOLLY TOWNSHIP**

**STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>2025</u>
ASSETS	
Cash and cash equivalents	\$ 1,165,607
Accounts receivable - UFSA	15,583
Prepaid expenses	670
Capital assets, net	<u>9,373,742</u>
Total assets	<u>10,555,602</u>
 LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	117,330
Retainage on construction project	17,856
Bonds interest payable	28,066
Ford vehicle loan	27,954
Bonds payable	<u>345,000</u>
Total current liabilities	<u>536,206</u>
 Noncurrent liabilities	
Ford vehicle loan	30,557
Bonds payable	<u>5,965,000</u>
Total noncurrent liabilities	<u>5,995,557</u>
Total liabilities	<u>6,531,763</u>
 NET POSITION	
Net invested in capital assets	2,987,373
Restricted for capital projects	559,253
Unrestricted	<u>477,213</u>
Total net position	<u>\$ 4,023,839</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, 2025**

	<u>2025</u>
Expenses:	
Operating appropriations:	
Administration	\$ 289,013
Cost of operations and maintenance	689,183
Operating appropriations offset with revenue	47,970
Bond interest expense	140,355
Depreciation - unallocated	<u>271,132</u>
Total program expenses	<u>1,437,653</u>
General revenues:	
Amount raised by taxation	1,633,585
Uniform fire safety act	47,970
Supplemental fire safety grant	4,246
Investment income	15,846
Other income	<u>5</u>
Total general revenues	<u>1,701,652</u>
Change in net position	263,999
Net position - beginning of year	<u>3,759,840</u>
Net position - end of year	<u>\$ 4,023,839</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, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 606,354	\$ 559,253	\$	\$ 1,165,607
Accounts receivable	15,583			15,583
Prepaid expenses	670			670
Total assets	<u>622,607</u>	<u>559,253</u>	<u>-</u>	<u>1,181,860</u>
LIABILITIES				
Accounts payable and accrued expenses	117,330			117,330
Bonds interest payable	28,064			28,064
Total liabilities	<u>145,394</u>	<u>-</u>	<u>-</u>	<u>145,394</u>
FUND BALANCES				
Restricted for Capital Projects		559,253		559,253
Assigned - Designated for subsequent year's expenditures	206,639			206,639
Unassigned	270,574			270,574
Total fund balances	<u>477,213</u>	<u>559,253</u>	<u>-</u>	<u>1,036,466</u>
Total liabilities and fund balances	<u>\$ 622,607</u>	<u>\$ 559,253</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position (A-1)
are different because:

Capital assets used in governmental activities are not financial resources and therefore are not
reported in the funds. The cost of the assets is \$11,566,378 and the accumulated depreciation
is \$2,192,636.

Long-term liabilities, bonds payable, construction and retainage costs payable not reported as liabilities in the funds.

9,373,741
(6,386,368)
<u>\$ 4,023,839</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, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Revenues:				
Amount raised by taxation	\$ 889,981	\$ 235,000	\$ 508,604	\$ 1,633,585
Uniform fire safety act	47,970			47,970
Supplemental fire safety grant	4,246			4,246
Investment income	15,846			15,846
Other income	5			5
	<u>958,048</u>	<u>235,000</u>	<u>508,604</u>	<u>1,701,652</u>
Total revenues				
Expenditures:				
Administration	289,013			289,013
Cost of operations and maintenance	689,183			689,183
Operating appropriations offset with revenue	47,970			47,970
Capital expenditures:				
Building/site renovations & repairs		185,965		185,965
Chiefs vehicle		99,782		99,782
Firefighter protective equipment		35,000		35,000
Ford loan payment			33,249	33,249
Bond debt service payments			335,000	335,000
Bond interest payments			140,355	140,355
	<u>1,026,166</u>	<u>320,747</u>	<u>508,604</u>	<u>1,855,517</u>
Total expenditures				
Excess of revenues over expenditures	(68,118)	(85,747)	-	(153,865)
Fund balance, January 1	545,331	645,000	-	1,190,331
Fund balance, December 31	<u>\$ 477,213</u>	<u>\$ 559,253</u>	<u>\$ -</u>	<u>\$ 1,036,466</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, 2025**

Total net changes in fund balance - governmental funds (B - 2)	\$	(153,865)
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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 - capital projects fund	320,747		
Capital outlays - operating fund	-		
Depreciation expense	<u>(271,132)</u>		49,615
Debt service payments			<u>368,249</u>
Changes in net position of governmental activities (A - 2)		\$	<u><u>263,999</u></u>

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

**MOUNT HOLLY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

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 every November.

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.

<u>Officials</u>	<u>Term Expires</u> <u>March</u>
Jules Thiessen, Chairman	2028
Nicole Saucier, Vice Chairwoman	2026
June Gaskill, Treasurer	2027
Jeena Sheppard, Commissioner	2027
Rosemarie Logue, Commissioner	2026

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)

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MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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.

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 in accordance with a schedule issued annually by DLGS. 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)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025 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)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025.

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, 2025.

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).

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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:

Non-spendable - The non-spendable 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)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 activity through July 15, 2026, the date the financial statements were available to be issued. Based upon this evaluation, the District determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.

(Continued)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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>
12/31/2025	\$ 647,026,300	\$ 1,633,585	0.25
12/31/2024	\$ 677,241,732	\$ 1,633,585	0.24
12/31/2023	\$ 659,739,650	\$ 1,451,992	0.22
12/31/2022	\$ 653,210,286	\$ 1,217,360	0.19
12/31/2021	\$ 653,210,286	\$ 1,155,384	0.18

LITIGATION CONTINGENCY:

The District is involved in various litigation. At this point in the proceedings, the outcome of the litigations cannot fully be determined.

Monetary awards or settlements will be recorded, if and when received or paid.

(Continued)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

CAPITAL ASSETS

Capital assets together with accumulated depreciation and estimated useful lives consists of the following at December 31, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Estimated Useful Life (Years)</u>
Assets					
Land	\$ 74,600	\$ -	\$ -	\$ 74,600	-
Building and improvements	123,400	-	-	123,400	30
Fire apparatus	1,279,005	191,543	-	1,470,548	5 - 10
Fire equipment	350,245	35,000	-	385,245	5 - 15
Construction in progress	9,512,585	-	-	9,512,585	-
	11,339,835	226,543	-	11,566,378	
Less: accumulated depreciation	(1,921,504)	(271,132)	-	(2,192,636)	
	<u>\$ 9,418,331</u>	<u>\$ (44,589)</u>	<u>\$ -</u>	<u>\$ 9,373,742</u>	

LONG TERM DEBT

BONDS PAYABLE

In November 2020 the Fire District issued \$7,900,000 general obligation bonds. The bonds will be used for 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. The bonds are dated November 17, 2020. Interest is payable semi-annually on April 15 and October 15, commencing April 15, 2021. The coupon rates are 2% to 2.25%.

Maturities of debt for each of the succeeding five years are as follows:

<u>Year</u>	<u>Maturities</u>			
2026	\$	345,000		
2027		355,000		
2028		365,000		
2029		375,000		
2030		385,000		
Thereafter		4,485,000		
	\$	<u>6,310,000</u>		

	<u>Balance 12/31/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2024</u>	<u>Due Within One Year</u>
Bonds payable	\$ 6,645,000	\$ -	\$ 335,000	\$ 6,310,000	\$ 345,000
	<u>6,645,000</u>	<u>-</u>	<u>335,000</u>	<u>6,310,000</u>	<u>345,000</u>

(Continued)

MOUNT HOLLY TOWNSHIP
(Continued)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

LONG TERM DEBT - Continued

FORD VEHICLE LOANS

The District purchased 2 Ford trucks under long-term loans. The loans have a term of two years, and interest rate is approximately 8.473%.

The following is a schedule of future minimum lease payments for operating leases (with initial or remaining terms in excess of one year) as of December 31, 2025:

<u>Year Ending December 31:</u>	<u>Total</u>
2026	\$ 27,954
2027	30,557
	<u>\$ 58,511</u>

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2025</u>
Accounts payable and accrued expenses	\$ 110,593
Accrued payroll taxes	6,737
	<u>\$ 117,330</u>

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.

REQUIRED SUPPLEMENTARY INFORMATION

**FIRE DISTRICT NO. 1
MOUNT HOLLY TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Modified</u>		
Revenues				
Miscellaneous anticipated revenues:				
Interest investments and deposits	\$ 5,500	\$ 5,500	\$ 15,846	\$ 10,346
Other revenue	250	250	5	(245)
Total miscellaneous anticipated revenues	5,750	5,750	15,851	10,101
Operating grant revenue:				
Supplemental fire safety grant	4,246	4,246	4,246	-
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act and other revenues	36,500	36,500	47,970	11,470
Amount to be raised by taxation to support the district budget	1,633,585	1,633,585	1,633,585	-
Total anticipated revenues	1,680,081	1,680,081	1,701,652	21,571
Non-budgetary revenues:				
Miscellaneous	-	-	-	-
Total revenues	<u>1,680,081</u>	<u>1,680,081</u>	<u>1,701,652</u>	<u>21,571</u>
Expenditures				
Operating appropriations:				
Administration:				
Salary and wages	117,000	91,500	87,831	3,669
Commissioners	10,000	10,000	10,000	-
Fringe benefits	14,040	14,040	7,377	6,663
Professional services	95,000	120,000	119,932	68
Office expenses	3,903	4,403	4,360	43
Copier expense	10,000	3,000	2,818	182
Postage	1,000	1,000	379	621
Information technology	75,000	55,000	54,589	411
Dues & subscriptions	1,500	1,500	513	987
Advertising	1,000	1,000	556	444
Training and education	3,000	3,000	658	2,342
Total administration	<u>331,443</u>	<u>304,443</u>	<u>289,013</u>	<u>15,430</u>

(Continued)

**FIRE DISTRICT NO. 1
MOUNT HOLLY TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Modified</u>		
Expenditures (Continued)				
Cost of operations and maintenance:				
Salary and wages	67,143	27,643	26,223	1,420
Fringe benefits	38,057	18,057	15,027	3,030
Fire hydrant rental	175,000	190,000	189,077	923
Maintenance and repairs	100,500	111,500	106,743	4,757
County Association	350	350	250	100
Dues and subscriptions	750	750	68	682
Exempt Association	1,000	1,000	-	1,000
Motor fuels	5,000	5,000	2,933	2,067
Office supplies	5,000	5,000	4,176	824
Training and education	10,000	10,000	9,405	595
Uniforms	15,000	15,000	8,260	6,740
Member Recruitment Costs	87,500	17,300	8,688	8,612
Insurance	60,000	60,000	55,388	4,612
Shared services	42,000	48,000	48,000	-
Volunteer incentive	-	49,000	48,365	635
Utilities	90,000	65,000	62,568	2,432
Non-Bondable equipment	50,000	105,000	104,012	988
Total cost of operations and maintenance	<u>747,300</u>	<u>728,600</u>	<u>689,183</u>	<u>39,417</u>
Operating appropriations offset with revenue:				
Salary and wages	27,857	32,357	32,244	113
Fringe benefits	3,343	4,543	4,447	96
Other expenses	5,300	11,300	11,279	21
Total operating appropriations offset with revenue	<u>36,500</u>	<u>48,200</u>	<u>47,970</u>	<u>230</u>
Capital appropriations:				
Capital appropriations	<u>235,000</u>	<u>235,000</u>	<u>320,747</u>	<u>(85,747)</u>
Debt service for capital appropriations:				
Principal payment on Ford loan	-	34,000	33,249	751
Principal payment on debt service	335,000	335,000	335,000	-
Interest payment on debt service	141,838	141,838	140,355	1,483
Total debt service for capital appropriations	<u>476,838</u>	<u>510,838</u>	<u>508,604</u>	<u>1,483</u>
Total expenditures	<u>1,827,081</u>	<u>1,827,081</u>	<u>1,855,517</u>	<u>(29,187)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(147,000)</u>	<u>(147,000)</u>	<u>(153,865)</u>	<u>(7,616)</u>
Fund balance, January 1			<u>1,190,331</u>	
Fund balance, December 31			<u>\$ 1,036,466</u>	
RECAPITULATION OF FUND BALANCE				
Restricted fund balance				
Capital projects			\$ 559,253	
Assigned fund balance				
Designated for subsequent year's expenditures			206,639	
Unassigned fund balance			<u>270,574</u>	
Total fund balance per governmental funds			<u>\$ 1,036,466</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, 2025**

Sources/Inflows of Resources:

Actual amount (budgetary basis) total revenues from budgetary comparison schedule (C - 1)	\$ <u>1,701,652</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	\$ <u><u>1,701,652</u></u>

Use/Outflows of Resources:

Actual amount (budgetary basis) total expenditures from budgetary comparison schedule (C - 1)	<u>1,855,517</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	\$ <u><u>1,855,517</u></u>

MOUNT HOLLY TOWNSHIP
SCHEDULE OF DEBT SERVICE REQUIREMENTS BY YEARS
DECEMBER 31, 2025

SERIES 2020

<u>YEARS ENDING</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	\$ 345,000	\$ 134,719	\$ 479,719
2027	355,000	127,388	482,388
2028	365,000	119,844	484,844
2029	375,000	112,087	487,087
2030	385,000	104,119	489,119
2031	395,000	95,937	490,937
2032	405,000	87,544	492,544
2033	420,000	78,937	498,937
2034	430,000	70,013	500,013
2035	440,000	60,875	500,875
2036	455,000	51,525	506,525
2037	465,000	41,856	506,856
2038	480,000	31,975	511,975
2039	490,000	21,775	511,775
2040	505,000	11,362	516,362
Total	\$ <u>6,310,000</u>	\$ <u>1,149,956</u>	\$ <u>7,459,956</u>

FORD TRUCK LOAN

<u>YEARS ENDING</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	\$ 27,954	\$ 5,183	\$ 33,137
2027	<u>30,557</u>	<u>2,692</u>	<u>33,249</u>
Total	\$ <u>58,511</u>	\$ <u>7,875</u>	\$ <u>66,386</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**MOUNT HOLLY TOWNSHIP
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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.

Finding:

Comment

The District financed in 2025 the purchased two Ford Explorer's without proper budgeting.

Recommendation

The District made adjustments in the 2026 budget for deferred charges for the vehicles as recommended by the DCA.

Corrective action plan response

The District will not make future purchases without the proper financing approval and included in the budget.

**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.