FIRE DISTRICT NO. 1

TOWNSHIP OF BURLINGTON

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

WITH

INDEPENDENT AUDITOR'S REPORT

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
District No. 1, Township of Burlington
County of Burlington
Burlington, New Jersey 08016

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, Township of Burlington 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, Township of Burlington in the County of Burlington, State of New Jersey 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, Township of Burlington 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 opinion.

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.

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MEMBER OF
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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, Township of Burlington 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, Township of Burlington 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, Township of Burlington 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 August 26, 2026 on our consideration of the Fire District No. 1, Township of Burlington in the County of Burlington, State of New Jersey'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, Township of Burlington 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, Township of Burlington in the County of Burlington, State of New Jersey's internal control over financial reporting and compliance.

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MOHEL ELLIOTT BAUER & GASS
A VENNING & COMPANY LLC FIRM
Certified Public Accountants

Toms River, New Jersey
August 26, 2026

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, Township of Burlington
Burlington, New Jersey 08016

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 governmental activities and each major fund and the aggregate remaining fund information of Fire District No. 1, Township of Burlington 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, Township of Burlington's basic financial statements, and have issued our report thereon dated August 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire District No. 1, Township of Burlington in the County of Burlington, State of New Jersey'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, Township of Burlington in the County of Burlington, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire District No. 1, Township of Burlington in the County of Burlington, State of New Jersey'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 or significant deficiencies may exist that were not identified.

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VENNING & COMPANY, LLC

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District No. 1, Township of Burlington in the County of Burlington, State of New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, 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

MOHEL ELLIOTT BAUER & GASS
A VENNING & COMPANY LLC FIRM
Certified Public Accountants

Toms River, New Jersey
August 26, 2026

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

As management of Fire District No. 1, Township of Burlington (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 $9,597,513. This represents a decrease of $40,405 from 2024.

- The amount raised by taxation was $2,790,000 or 84.97% of all revenues.

- Total expenditures were $3,324,014 as compared to $2,972,213 in 2024; an increase of $351,801 or 11.84%.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Fire District No. 1, Township of Burlington'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, Township of Burlington. 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.

Reporting on the District as a Whole (Continued)

The district-wide financial statements report on the financial data by function. Fire District No. 1, Township of Burlington provides firefighting services to the citizens of Burlington 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, Township of Burlington uses fund accounting to document compliance with finance-related legal matters. Fire District No. 1, Township of Burlington has three types of fund groups, and that is the general fund, capital projects fund and debt service fund.

Governmental Funds

Fire District No. 1 of the Township of Burlington'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 Township of Burlington 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.

DISTRICT-WIDE FINANCIAL ANALYSIS

Fire District No. 1 Township of Burlington'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 approximately $9.598 million. A significant portion of Fire District No. 1, Township of Burlington'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
TOWNSHIP OF BURLINGTON
NET POSITION
DECEMBER 31, 2025

	2025	2024	$ Increase (Decrease)	% Increase (Decrease)
Total assets and deferred outflows of resources	$ 13,473,132	$ 13,640,242	$ (167,110)	-1.23%
Total liabilities and deferred inflows of resources	(3,875,619)	(4,002,324)	(126,705)	-3.17%
Net position	$ 9,597,513	$ 9,637,918	$ (40,405)	-0.42%
Analysis of net position				
Net investment in capital assets	$ 6,131,240	$ 5,524,640	$ 606,600	10.98%
Restricted for:				
Capital projects	227,936	824,936	(597,000)	-72.37%
Unrestricted	3,238,337	3,288,342	(50,005)	-1.52%
Total net position	$ 9,597,513	$ 9,637,918	$ (40,405)	-0.42%

Governmental Activities

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

	2025	2024	$ Increase (Decrease)	% Increase (Decrease)
Expenses				
Administrative expenses	$ 543,766	$ 283,786	$ 259,980	91.61%
Cost of operations and maintenance	2,478,318	2,362,993	115,325	4.88%
Operating appropriations offset with revenues	230,307	247,663	(17,356)	-7.01%
Interest expense	43,718	57,425	(13,707)	-23.87%
Special funding situation-PFRS-State of NJ	27,905	20,346	7,559	37.15%
Total program expenses	3,324,014	2,972,213	351,801	11.84%
General revenues				
Property taxes levied for:				
General purposes	2,163,412	1,869,612	293,800	15.71%
Capital projects	100,000	250,000	(150,000)	-60.00%
Debt service	526,588	525,388	1,200	0.23%
Total property taxes levied	2,790,000	2,645,000	145,000	5.48%
Charges for services	229,309	271,022	(41,713)	-15.39%
Interest income	207,673	248,753	(41,080)	-16.51%
Miscellaneous revenue	28,722	166,676	(137,954)	-82.77%
Special funding situation-PFRS-State of NJ	27,905	20,346	7,559	37.15%
Total general revenues	3,283,609	3,351,797	(68,188)	-2.03%
Increase in net position	(40,405)	379,584	(419,989)	-110.64%
Net position, January 1	9,637,918	9,258,334	379,584	4.10%
Net position, December 31	$ 9,597,513	$ 9,637,918	$ (40,405)	-0.42%

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

Fire District No. 1, Township of Burlington 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, Township of Burlington was approximately $4.647 million. This balance is approximately $577,000 less than last year's combined governmental funds balance.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS (Continued)

The combined fund balance of the governmental funds of Fire District No. 1, Township of Burlington was a surplus of approximately $4.166 million. Approximately $228,000 is restricted for capital projects, $525,000 is assigned - designated for subsequent year's expenditures and approximately $3,413,000 is unassigned.

The general fund is the main operating fund of Fire District No. 1, Township of Burlington. At the end of 2025, the total fund balance of the general fund was approximately $3.938 million.

During 2025, the general fund balance surplus of Fire District No. 1 Township of Burlington decreased by approximately $37,000. The primary reason for this decrease is primarily due to the deficiency of revenues over expenditures.

At the end of 2025, the District has a capital projects fund balance of approximately $228,000. There was a decrease of approximately $597,000 from the previous year.

General Fund Budgetary Highlights

The original budget had a projected deficit of $(1,047,000). The District had total revenues deficient of expenditures of approximately $(634,000) in 2025.

Administrative expenses were approximately $16,600 more than originally projected in 2025. Operating expenses were approximately $285,000 less than originally projected in 2025. Operating appropriations offset with revenues was approximately $49,000 less that projected in 2025.

CAPITAL ASSETS

As of December 31, 2025, Fire District No. 1 Township of Burlington had invested in capital assets for government activities of approximately $7,428,000 (net of accumulated depreciation). Capital assets consist of land, firehouses, equipment, furniture and fixtures, apparatus, vehicles and a storage building. During 2025, the District purchased a 2025 Pierce Custom Aerial Pumper, $1,628,659.

**CAPITAL ASSETS
DECEMBER 31, 2025**

	2025	2024	$ Increase (Decrease)
Land	$ 301,561	$ 301,561	$ -
Firehouse - Beverly Road	2,267,994	2,267,994	-
Firehouse - Independent	6,480,515	6,480,515	-
Equipment, furniture and fixtures	1,396,283	1,396,283	-
Apparatus	5,893,476	4,264,817	1,628,659
Vehicles	616,618	616,618	-
Storage building	35,375	35,375	-
Total capital assets	16,991,822	15,363,163	1,628,659
Accumulated depreciation	(9,563,877)	(9,010,953)	552,924
Total capital assets, net	$ 7,427,945	$ 6,352,210	$ 1,075,735

DEBT ADMINISTRATION

Bonds Payable

In April 2015 the Fire District issued $2,845,000 general obligation refunding bonds, series 2015. The series 2015 bonds were sold to provide funds which were used to (1) advance refund and redeem all of the Fire District's outstanding callable $2,685,000 general obligation bonds dated December 11, 2007 maturing on or after September 1, 2018 on the redemption date of September 1, 2017, and (2) pay certain costs and expenses incidental to the issuance and delivery of the refunding bonds. Please refer to page 26 for additional information.

Capital Lease Obligation Payable

The Board entered into a lease with option to purchase agreement for a Velocity Heavy Duty Rescue Truck and Equipment. The lease dated January 31, 2015 in the amount of $756,409.00 is payable in annual installments of $85,313.62 and bears interest at the rate of 2.250%.

The Board entered into a lease with option to purchase agreement for a Pierce Custom Chassis 100ft Mid Mount Aerial Tower. The lease dated June 10, 2022 in the amount of $931,659 is payable in annual installments of $113,576 and bears interest at the rate of 3.77%. The lease is for a term of 10 years.

Please refer to page 27 for additional information.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

In 2025, Fire District No. 1 Township of Burlington was able to fund its appropriations through the fire tax levy and other revenues.The 2025 budget anticipated a deficit of $(1,047,000) and finished the year with a deficit of $(634,435).

Fire District No. 1, Township of Burlington adopted the 2026 budget on January 8, 2026. The 2026 budget reflects a 6.5% increase in the tax levy compared to 2025. The proposed budget reflects an increase of .003 in the tax rate for 2026. The proposed tax rate per $100 of assessed value will be $.110.

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 1601 Burlington Bypass, Burlington Township, New Jersey 08016.

Exhibit A-1

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
STATEMENT OF NET POSITION
DECEMBER 31, 2025

		2025
ASSETS		
Cash and cash equivalents	$	4,646,830
Accounts receivable - UFSA		58,537
Prepaid expenses		18,882
Capital assets, net		7,427,945
Right of use asset		202,957
Total assets		12,355,151
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding of long term debt, net		40,693
Deferred outflows - PERS		8,159
Deferred outflows - PFRS		1,069,129
Total deferred outflows of resources		1,117,981
Total assets and deferred outflows of resources		13,473,132
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses		558,332
Lease liability		65,389
Capital lease obligation payable		87,663
Bonds payable		305,000
Total current liabilities		1,016,384
Noncurrent liabilities		
Lease liability		137,568
Capital lease obligation payable		599,759
Bonds payable		315,000
Net pension liability - PERS		169,100
Net pension liability - PFRS		1,135,607
Total noncurrent liabilities		2,357,034
Total liabilities		3,373,418
DEFERRED INFLOWS OF RESOURCES		
Premium on refunding bonds, net		29,976
Deferred inflows - PERS		195,588
Deferred inflows - PFRS		276,637
Total deferred inflows of resources		502,201
Total liabilities and deferred inflows of resources		3,875,619
NET POSITION		
Net investment in capital assets		6,131,240
Restricted for capital projects		227,936
Unrestricted		3,238,337
Total net position	$	9,597,513

The accompanying notes are an integral part of these financial statements

Exhibit A-2

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		2025
Expenses:		
Operating appropriations:		
Administration	$	543,766
Cost of operations and maintenance		2,478,318
Operating appropriations offset with revenues		230,307
Interest expense		43,718
Special funding situation-PERS/PFRS-State of NJ		27,905
Total program expenses		3,324,014
General revenues:		
Amount raised by taxation		2,790,000
Charges for services		229,309
Interest on investments and deposits		207,673
Miscellaneous revenue		28,722
Special funding situation-PERS/PFRS-State of NJ		27,905
Total general revenues		3,283,609
Change in net position		(40,405)
Net position - beginning of year		9,637,918
Net position - end of year	$	9,597,513

The accompanying notes are an integral part of these financial statements

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2025

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 4,418,894	$ 227,936	$	$ 4,646,830
Accounts receivable - UFSA	58,537			58,537
Prepaid expenses	18,882			18,882
Total assets	4,496,313	227,936	-	4,724,249
LIABILITIES				
Accounts payable and accrued expenses	558,332			558,332
Total liabilities	558,332	-	-	558,332
FUND BALANCES				
Restricted for Capital Projects		227,936		227,936
Assigned - other				-
Assigned - Designated for subsequent				-
year's expenditures	525,000			525,000
Unassigned	3,412,981			3,412,981
Total fund balances	3,937,981	227,936	-	4,165,917
Total liabilities and fund balances	$ 4,496,313	$ 227,936	$ -	

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 $16,991,822 and the accumulated depreciation is $9,563,877.	7,427,945
Deferred outflows and inflows related to pensions	605,063
Long-term liabilities, including net pension liability, capital lease obligation payable, bonds payable, loss on refunding long term debt, and premiums on refunding bonds are not due and payable in the current period and are therefore not reported as liabilities in the funds.	(2,601,412)
	$ 9,597,513

The accompanying notes are an integral part of these financial statements

Exhibit B-2

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total
Revenues:				
Amount raised by taxation	$ 2,163,412	$ 100,000	$ 526,588	$ 2,790,000
Charges for services	229,309			229,309
Interest on investments and deposits	207,673			207,673
Miscellaneous revenue	28,722			28,722
Total revenues	2,629,116	100,000	526,588	3,255,704
Expenditures:				
Administration	541,378			541,378
Cost of operations and maintenance	1,895,864			1,895,864
Operating appropriations offset with revenues	229,309			229,309
Capital Expenditures		697,000		697,000
Debt service payments			467,882	467,882
Interest payments on debt			58,706	58,706
Total expenditures	2,666,551	697,000	526,588	3,890,139
Excess (deficiency) of revenues over expenditures	(37,435)	(597,000)	-	(634,435)
Fund balance, January 1	3,975,416	824,936		4,800,352
Fund balance, December 31	$ 3,937,981	$ 227,936	$ -	$ 4,165,917

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

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMNETAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Total net changes in fund balance - governmental funds (B - 2)		$	(634,435)
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			
Township contribution of fire equipment			
Capital outlays-restricted fund	697,000		
Total Capital Asset Additions	697,000		
Depreciation expense	(552,924)		
			144,076
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities			(12,570)
Debt service principal payments			467,882
Amortization of loss on refunding bonds			(20,346)
Amortization of premium on refunding bonds			14,988
Changes in net position of governmental activities (A - 2)		$	(40,405)

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

GENERAL INFORMATION

A. Description of Reporting Entity

Fire District No. 1 Township of Burlington is a political subdivision of the Township of Burlington, 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, 2025;

Officials	Term Expires March
Deborah Painter	2029
Terry M. Field	2027
Anthony Ciasca	2028
Keith Scully	2027
Christopher Johnson	2028

C. Accounting Records

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Fire District No. 1, Township of Burlington (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.

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.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued)

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued)

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 lease 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.

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:

Description	Estimated Lives
Land	
Firehouses	40 years
Equipment, furniture and fixtures	5 - 10 years
Apparatus	10 years
Vehicles	5 years
Storage building	20 years

(Continued)

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; of (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.

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 26, 2026, the date the financial statements were available to be issued.

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 h 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:

Calendar Year	Assessed Valuations	Total Tax Levy	Property Tax Rates
12/31/2025	$ 2,631,076,550	$ 2,790,000	0.107
12/31/2024	$ 2,554,607,550	$ 2,645,000	0.104
12/31/2023	$ 2,514,055,250	$ 2,443,000	0.098
12/31/2022	$ 2,443,711,450	$ 2,266,000	0.093
12/31/2021	$ 2,388,380,581	$ 2,205,000	0.093

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2025
Accounts payable	$ 50,188
Accued payroll	11,550
Accrued interest payable - bonds	7,237
Accrued pension	181,349
Accrued vacation and sick pay	308,008
	$ 558,332

COMMITMENTS

The Board leases facilities from Relief Fire Company No. 3. The lease is for a term of three years and is automatically renewable from year to year unless either party notifies the other by written notice at least 60 days prior to the expiration of the term that the lease will not be renewed. Rental is paid quarterly. Under separate agreements with Independent Fire Company No. 1 and Beverly Road Fire Company No. 2 the Companies are paid for Fire Prevention protection and suppression services within the district. Payments to the three companies are as follows:

	2025
Relief Fire Company No. 3	$ 66,947
Beverly Road Fire Company No. 2	16,653
Independent Fire Company No. 1	14,807
	$ 98,407

CAPITAL ASSETS

Capital assets together with accumulated depreciation and estimated useful lives consists of the following:

		2025	Estimated Useful Life (Years)
Assets			
Land	$	301,561	
Firehouse - Beverly Road		2,267,994	40
Firehouse - Independent		6,480,515	40
Equipment, furniture and fixtures		1,396,283	5 - 10
Apparatus		5,893,476	10
Vehicles		616,618	5
Storage building		35,375	20
		16,991,822	
Less: accumulated depreciation		(9,563,877)	
	$	7,427,945	

BONDS PAYABLE

In April 2015 the Fire District issued $2,845,000 general obligation refunding bonds, series 2015. The series 2015 bonds were sold to provide funds which were used to (1) advance refund and redeem all of the Fire District's outstanding callable $2,685,000 general obligation bonds dated December 11, 2007 maturing on or after September 1, 2018 on the redemption date of September 1, 2017, and (2) pay certain costs and expenses incidental to the issuance and delivery of the refunding bonds.

The $2,845,000 general obligation refunding bonds, series 2015 (the "refunding bonds") are payable September 1 each year. Interest is payable March 1 and September 1. The interest rate is 3 to 3.5%. The refunding price exceeded the net carrying amount by $264,504. This amount is reflected as a deferred outflow of resources - loss on refunding of long term debt. The District also received an original issue premium of $194,844. This amount is reflected as a deferred inflow of resources - premium on refunding bonds. Both amounts are being amortized over the remaining life of the refunded debt. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result $2,685,000 of the refunded obligation are considered to be defeased and the liability for those bonds has been removed from the financial statements.

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

Year		2015 Refunding Bonds
2026	$	305,000
2027		315,000
	$	620,000

CAPITAL LEASE OBLIGATION PAYABLE

The Board entered into a lease with option to purchase agreement for a Velocity Heavy Duty Rescue Truck and Equipment. The lease dated January 31, 2015 in the amount of $756,409 is payable in annual installments of $85,314 and bears interest at the rate of 2.250%. The lease was paid off during 2025.

The Board entered into a lease with option to purchase agreement for a Pierce Custom Chassis 100ft Mid Mount Aerial Tower. The lease dated June 10, 2022 in the amount of $931,659 is payable in annual installments of $113,576 and bears interest at the rate of 3.77%. The lease is for a term of 10 years.

The following is a schedule of future lease payments under the leases together with the present value of the lease payments as of December 31, 2025:

Due Date	Principal	Interest	Total
2026	$ 87,633	$ 25,943	$ 113,576
2027	90,940	22,636	113,576
2028	94,373	19,204	113,577
2029	97,934	15,642	113,576
2030	101,630	11,946	113,576
Thereafter	214,912	12,241	227,153
Total lease payments	$ 687,422	$ 107,612	$ 795,034

LONG TERM DEBT

	Balance 12/31/2024	Increases	Decreases	Balance 12/31/2025	Due Within One Year
Bonds payable	$ 920,000	$	$ (300,000)	$ 620,000	$ 305,000
Capital lease obligations payable	$ 855,304	$	$ (167,882)	$ 687,422	$ 87,663
	1,775,304	-	(467,882)	1,307,422	392,663

RIGHT OF USE ASSET/LEASE LIABILITY

The Board leases space under a long-term operating lease agreement with Relief Fire Company No. 3. The lease is for a term of three (3) years. The premises is to be used and occupied only and for no other purpose than for the storage of equipment, housing of fire apparatus, training and education of firefighters, public meetings (by notice and only if same does not conflict with the Company's schedule), maintenance and repair of equipment and apparatus, elections and other necessary and related fire prevention, protection and suppression activities. The facility lease expires on December 31, 2025. We include in the determination right-of-use asset and liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rates are based on the discount rates implicit in the leases. We have elected the option to use the risk-free rate determined using a period comparable to the leases terms as discount rates for leases where the implicit rates are not readily determinable.

The right-of-use assets and lease liabilities at December 31, 2025 are as follows:

	2025
Operating right-of-use asset - rent	$ 202,957
Operating lease liability - rent	$ 202,957

The following summarizes the weighted-average remaining lease term and weighted-average incremental borrowing rate:

	2025
Weighted-average remaining lease term in years:	
Operating lease - rent	3
Weighted -average incremental borrowing rate:	
Operating lease - rent	2.00%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31:

Year Ended December 31:	Principal	Interest	Total
2026	$ 65,389	$ 2,896	$ 68,285
2027	67,403	2,248	69,651
2028	70,165	879	71,044
Total lease payments	$ 202,957	$ 6,023	$ 208,980

SUBSEQUENT EVENTS

CAPITAL LEASE OBLIGATION PAYABLE

The Board entered into a lease with option to purchase agreement for a Enforcer 107' Aerial Ladder Truck with equipment. The lease dated August 17, 2026 in the amount of $1,700,000 is payable in annual installments of $194,140 and bears interest at the rate of 2.49%. The lease is for a term of 10 years.

The following is a schedule of future lease payments under the lease together with the present value of the future lease payments:

Due Date	Principal	Interest	Total
2027	$ 151,810	$ 42,330	$ 194,140
2028	155,590	38,550	194,140
2029	159,464	34,676	194,140
2030	163,435	30,705	194,140
2031	167,504	26,636	194,140
Thereafter	902,197	68,498	970,695
Total payments	$ 1,700,000	$ 241,395	$ 1,941,395

PENSION PLAN

Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements which can be found at https://www.nj.gov/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4, with 25 or more years of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS its participating employers or the State. The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

PENSION PLAN - (Continued)

Public Employees' Retirement System (PERS) - (Continued)

Allocation Methodology - GASB Statement No. 68 Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense (benefit). Pension amounts are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2024 through June 30, 2025.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2025, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2025, the District's contractually required contribution to PERS was $18,791.

Components of Net Pension Liability - As of December 31, 2025, the District reported a liability of $169,100 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2025. The District's proportion of the net pension liability was based on the ratio of the District's contribution to the total contributions to PERS during the measurement period July 1, 2024 through June 30, 2025. The District's proportion measured as of June 30, 2024 was .001375%. There was a decrease from its proportion measured as of June 30, 2024 of .000163%.

PENSION PLAN - (Continued)

Public Employees' Retirement System (PERS) - (Continued)

Collective Balances as of December 31, 2025 and 2024

		2025		2024
Actuarial valuation date (including roll forward)		June 30, 2025		June 30, 2024
Deferred outflows of resources	$	8,159	$	11,875
Deferred inflows of resources	$	195,588	$	264,682
Net pension liability	$	169,100	$	208,935
District's portion of the plan's total net pension liability		0.001375%		0.001538%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended December 31, 2025 the District recognized pension expense (benefit) of ($86,423). As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Changes of assumptions	$	27	$	1,948
Difference between expected and actual experience		4,821		181
Net difference between projected and actual earnings on pension plan investments				14,101
Changes in proportion and differences between District contributions and proportionate share of contributions		3,311		179,358
Total	$	8,159	$	195,588

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be included in pension expense (benefit) as follows:

Year Ended December 31:		PERS
2026	$	51,576
2027		(107,651)
2028		(83,070)
2029		(48,626)
2030		342
Total	$	(187,429)

PENSION PLAN - (Continued)

Public Employees' Retirement System (PERS) - (Continued)

The District will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		
Year of pension plan deferral:		
2020	5.16	
2021		5.13
2022		5.04
2023	5.08	
2024	5.08	
Changes of assumptions		
Year of pension plan deferral:		
2020		5.16
2021	5.13	
2022		5.04
2025		5.15
Difference between projected and actual investment earning on pension plan investments:		
Year of pension plan deferral:		
2021		5.00
2022		5.00
2023		5.00
2024		5.00
2025		5.00
Changes in proportion:		
Year of pension plan deferral:		
2020	5.16	5.16
2021	5.13	5.13
2022	5.04	5.04
2023	5.08	5.08
2024	5.08	5.08
2025	5.15	5.15

PENSION PLAN - (Continued)

Public Employees' Retirement System (PERS) - (Continued)

Actuarial Assumptions - The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following actuarial assumptions:

Measurement date	June 30, 2025
Actuarial valuation date	July 1, 2024
Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25 - 7.75% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and a 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and a 99.5% adjustment for females, and with a future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retires were based on Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and a 139.0% adjustment for females, and with a future improvement form the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table.

Public Employees' Retirement System (PERS) - (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2025 calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage -point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 231,488	$ 169,100	$ 115,929

PENSION PLAN - (Continued)

B. Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System of New Jersey (PFRS) is a cost - sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's annual financial statements which can be found at https://www.nj.gov/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A.. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
3	Members who were eligible to enroll on or after June 28, 2011.

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedule of employer and non-employer allocations and the schedule of pension amounts by employer and non-employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State of New Jersey (the State) as a non-employer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Allocation Methodology - GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PFRS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions of PFRS during the measurement period July 1, 2024 through June 30, 2025. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple -employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2025 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2025.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2025, the State contributed an amount more than the actuarially determined amount. The employers in the local group contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for employers in the local group of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2025 the Districts contractually required contribution to PFRS was $161,784.

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L.1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability - At December 31, 2025, the District reported a liability of $1,135,607 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 which was rolled forward to June 30, 2025. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2025.

Collective Balances at December 31, 2025 and 2024

	2025	2024
Actuarial valuation date (including roll forward)	June 30, 2025	June 30, 2024
Deferred Outflows of Resources	$ 1,069,129	$ 934,305
Deferred Inflows of Resources	$ 276,637	$ 292,271
Net Pension Liability	$ 1,135,607	$ 867,366
District's portion of the Plan's total net pension liability	.011323%	.008399%

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended December 31, 2025, the District recognized pension expense of $279,574. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 56,803	$ 14,356
Difference between expected and actual experience	93,036	21,583
Net difference between projected and actual earnings on pension plan investments		55,631
Changes in proportion and differences between District contributions and proportionate share of contributions	919,290	185,067
	$ 1,069,129	$ 276,637

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	PFRS
2026	$ 863,371
2027	(246,979)
2028	(127,656)
2029	67,823
2030	235,933
Total	$ 792,492

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) - (Continued)

The District will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		
Year of pension plan deferral:		
2020	5.90	-
2021	-	6.17
2022	6.22	-
2023	6.16	-
2024	6.09	-
2025	5.86	
Changes of assumptions		
Year of pension plan deferral:		
2020	-	5.90
2021	6.17	-
2022	-	6.22
2025	5.86	
Difference between projected and actual investment earning on pension plan investments:		
Year of pension plan deferral:		
2021	-	5.00
2022	-	5.00
2023	-	5.00
2024	-	5.00
2025		5.00
Changes in proportion:		
Year of pension plan deferral:		
2020	5.90	5.90
2021	6.17	6.17
2022	6.22	6.22
2023	6.16	6.16
2024	6.09	6.09
2025	5.86	5.86

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Additionally, the State's proportionate share of the net pension liability attributable to the District is $230,525 as of December 31, 2025. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2024, to the measurement date of June 30, 2025. The State's proportion of the net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2025 was .011323%, which is the same proportion as the District's.

District's Proportionate Share of the Net Pension Liability	$	1,069,129
State's Proportionate Share of the New Pension Liability Associated With the District		230,525
Total Net Pension Liability	$	1,299,654

For the year ended December 31, 2025 the state's proportionate share of PFRS expense associated with the District was $27,324.

Actuarial Assumptions - The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024 which was rolled forward to June 30, 2025. The actuarial valuations used the following actuarial assumptions:

Measurement date	June 30, 2025
Actuarial valuation date	July 1, 2024
Inflation rate:	
Price	2.50%
Wage	3.00%
Salary increases:	
Through	All future years 4.00% - 17.50% based on years of service
Investment rate of return	7.00%

(Continued)

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Employee mortality rates were based on the Pub-2016 Safety Employee mortality table projected generationally from 2016 with scale MP-2021, 5% of deaths are assumed to be accidental. Healthy annuitants mortality rates were 100% based of the Pub-2016 Safety Retiree Below Median amount-weighted mortality table for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100%f the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

Long-Term Expected Rate of Return-In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method which is combined with analysis of asset class trends and key influences driving capital markets, to develop the best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included PFRS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

PENSION PLAN - (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State Group and 100% of actuarially determined contributions for the employers in the local group. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentagep-point higher (8.00%) that the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 1,555,310	$ 1,069,129	$ 663,500

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025.

Pooled Separate Accounts: Valued at the net asset value (NAV) of the participation units held by the plan at year end. The NAV, as reported by the insurance company, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying mutual fund held in the subaccounts.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-1

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Modified		
Revenues				
Miscellaneous anticipated revenues:				
Interest investments and deposits	$ 195,437	$ 195,437	$ 207,673	$ 12,236
Total miscellaneous anticipated revenues	195,437	195,437	207,673	12,236
Miscellaneous revenues offset with appropriations:				
Uniform fire safety act revenues				
Annual registration fee	183,000	183,000	214,627	31,627
Other revenues	95,216	95,216	14,682	(80,534)
Total uniform fire safety act revenues	278,216	278,216	229,309	(48,907)
Amount to be raised by taxation to support the district budget	2,790,000	2,790,000	2,790,000	-
Total anticipated revenues	3,263,653	3,263,653	3,226,982	(36,671)
Non-budgetary revenues:				
Miscellaneous			28,722	28,722
Total revenues	3,263,653	3,263,653	3,255,704	(7,949)
Expenditures				
Operating appropriations:				
Administration:				
Salaries and wages	340,100	360,100	359,835	265
Commissioners	15,250	15,250	15,250	-
Fringe benefits	72,740	88,740	88,112	628
Elections	5,700	5,700	5,700	-
Office supplies and postage	8,500	8,500	7,733	767
Professional fees	82,500	82,500	64,748	17,752
Total administration	524,790	560,790	541,378	19,412
Cost of operations and maintenance:				
Salaries and wages	614,000	614,000	575,556	38,444
Fringe benefits	335,642	388,642	388,374	268
Insurance	95,500	95,500	90,999	4,501
Maintenance and repairs	175,000	149,000	120,177	28,823
Rental charges	100,900	100,900	98,407	2,493
Training and education	51,100	51,100	21,787	29,313
Fees/contracted expenses	50,000	51,850	47,423	4,427
Medical services	25,000	29,000	28,024	976
Office services	5,700	5,700	5,300	400
Consulting	7,500	7,500	4,346	3,154
Advertising	4,000	4,000	653	3,347
Membership	23,500	23,500	13,324	10,176
Tickets	2,000	2,000	450	1,550
Incentive program	110,000	110,000	80,795	29,205
Membership dues	3,000	3,000	380	2,620
Reimbursement for losses	23,000	23,000	10,899	12,101
Uniforms/personal equipment	40,000	40,000	23,818	16,182
Other operating materials and supplies	23,000	23,000	21,493	1,507
Utilities	20,000	20,000	3,630	16,370
Fuel	30,000	30,000	20,657	9,343
Utilities/building maintenance	188,000	188,000	182,337	5,663
Fire prevention programs	95,216	15,216	14,682	534
SOP review	16,000	16,000		16,000
Strategic plan	24,000	37,000	36,750	250
Miscellaneous equipment	119,000	119,000	105,603	13,397
Total cost of operations and maintenance	2,181,058	2,146,908	1,895,864	251,044

(Continued)

Exhibit C-1

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Modified		
Expenditures (Continued)				
Operating appropriations offset with revenues:				
Salaries and wages	175,800	175,800	150,427	25,373
Fringe benefits	46,441	46,441	40,857	5,584
Public education	20,500	20,500	12,759	7,741
Other expenses	35,475	35,475	25,266	10,209
Total operating appropriations offset with revenues	278,216	278,216	229,309	48,907
Capital appropriations:				
Capital appropriations	797,000	797,000	697,000	100,000
Debt service for capital appropriations:				
Principal payments on debt service	467,882	467,882	467,882	-
Interest payments on debt service	61,707	61,707	58,706	3,001
Total debt serivce for capital appropriations	529,589	529,589	526,588	3,001
Total expenditures	4,310,653	4,312,503	3,890,139	422,364
Excess (deficiency) of revenues over (under) expenditures	(1,047,000)	(1,048,850)	(634,435)	414,415
Fund balance, January 1			4,800,352	
Fund balance, December 31			$ 4,165,917	
RECAPITULATION OF FUND BALANCE				
Restricted fund balance				
Capital projects			$ 227,936	
Assigned fund balance				
Designated for subsequent year's expenditures			525,000	
Other purposes			-	
Unassigned fund balance			3,412,981	
Total budgetary basis			4,165,917	
Total fund balance per governmental funds			$ 4,165,917	

Exhibit C - 2

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
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)	$	3,255,704
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	$	3,255,704
Use/Outflows of Resources:		
Actual amount (budgetary basis) total expenditures from budgetary comparison schedule (C - 1)	$	3,890,139
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds (B - 2)	$	3,890,139

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Measurement Date Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	.001375%	.001538%	.002318%	.003571%	.003487%	.00412%	.00398%	.00397%	.00394%	.00320%
District's Proportionate Share of the Net Pension Liability	$ 169,100	$ 208,935	$ 335,729	$ 538,961	$ 413,079	$ 671,302	$ 717,623	$ 781,046	$ 916,041	$ 946,403
District's Covered-Employee Payroll	$ 124,000	$ 112,626	$ 159,032	$ 221,062	$ 260,810	$ 253,211	$ 296,728	$ 283,016	$ 273,408	$ 232,814
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	136.37%	185.51%	211.11%	243.81%	158.38%	265.12%	241.85%	275.97%	335.05%	406.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.84%	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%

*** This schedule is presented to illustrate the requirement to show information for ten years.

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	For the year ended December 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Contractually Required Contribution	$ 18,791	$ 20,923	$ 30,979	$ 45,036	$ 40,836	$ 45,033	$ 38,740	$ 39,457	$ 36,455	$ 28,388
District's Contribution in Relation to the Contractually Required Contribution	18,791	20,923	30,979	45,036	40,836	45,033	38,740	39,457	36,455	28,388
District's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 126,500	$ 117,438	$ 126,044	$ 176,084	$ 264,708	$ 256,999	$ 274,776	$ 289,678	$ 280,147	$ 273,408
District's Contributions as a Percentage of it's Covered-Employee Payroll	14.85%	17.82%	24.58%	25.58%	15.43%	17.52%	14.10%	13.62%	13.01%	10.38%

*** This schedule is presented to illustrate the requirement to show information for ten years.

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE AND FIREMEN'S RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Measurement Date Ended June 30,		
	2025	**2024**	**2023**
District's Proportion of the Net Pension Liability	.011323%	.008399%	.010846%
District's Proportionate Share of the Net Pension Liability	$ 1,135,607	$ 867,366	$ 1,198,367
District's Covered-Employee Payroll	$ 611,496	$ 372,608	$ 343,659
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	185.71%	232.78%	348.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.47%	72.66%	70.16%

*** This schedule is presented to illustrate the requirement to show information for ten years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

(Continued)

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
SCHEDULE OF DISTRICT CONTRIBUTIONS
POLICE AND FIREMEN'S RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	For the year ended December 31,		
	2025	**2024**	**2023**
District's Contractually Required Contribution	$ 161,784	$ 116,183	$ 144,384
District's Contribution in Relation to the Contractually Required Contribution	161,784	116,183	144,384
District's Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 710,915	$ 468,992	$ 320,108
District's Contributions as a Percentage of it's Covered-Employee Payroll	22.76%	24.77%	45.10%

*** This schedule is presented to illustrate the requirement to show information for ten years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

(Continued)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

None.

Changes of Assumptions

None.

Police and Firemen's Retirement System (PFRS)

Changes of Benefit Terms

None.

Changes of Assumptions

None.

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
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.

None.

FIRE DISTRICT NO. 1
TOWNSHIP OF BURLINGTON
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.