

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT
December 31, 2023



**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT**

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 4
Financial Statements - Regulatory Basis	
A. Current Fund	
A Comparative Balance Sheet - Regulatory Basis	5 - 6
A-1 Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	7 - 8
A-2 Statement of Revenues - Regulatory Basis	9 - 11
A-3 Statement of Expenditures - Regulatory Basis	12 - 17
B. Trust Fund	
B Comparative Balance Sheet - Regulatory Basis	18
C. General Capital Fund	
C Comparative Balance Sheet - Regulatory Basis	19
C-1 Comparative Statement of Fund Balance - Regulatory Basis	20
D. Sewer Utility Fund	
D Comparative Balance Sheet - Regulatory Basis	21 - 22
D-1 Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	23
D-2 Comparative Statement of Fund Balance - Regulatory Basis	24
D-3 Statement of Revenues - Regulatory Basis	25
D-4 Statement of Expenditures - Regulatory Basis	26
E. General Fixed Asset Account Group	
E Comparative Statement of General Fixed Assets - Regulatory Basis	27
Notes to the Financial Statements	28 - 64
Supplementary Schedules	
A. Current Fund	
A-4 Schedule of Current Fund Cash - Treasurer	65 - 66
A-5 Schedule of Current Fund Cash and Reconciliation - Treasurer Per N.J.S.A. 40A:5-5	67
A-6 Schedule of Cash - Tax Collector	68
A-7 Schedule of Tax Collector Cash and Reconciliation - Tax Collector Per N.J.S.A. 40A:5-5	69
A-8 Schedule of Change Funds	69
A-9 Schedule of Taxes Receivable and Analysis of Property Tax Levy	70 - 71

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT**

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
Supplementary Schedules (continued)	
A. Current Fund (continued)	
A-10 Schedule of Tax Title Liens Receivable	72
A-11 Schedule of Property Acquired for Taxes - Assessed Valuation	72
A-12 Schedule of Revenue Accounts Receivable	73
A-13 Schedule of Due from General Capital Fund	74
A-14 Schedule of Due from Other Trust Funds	74
A-15 Schedule of Due to Animal Control Fund	75
A-16 Schedule of Deferred Charges to Future Taxation	76
A-17 Schedule of Grants Receivable	77
A-18 Schedule of Appropriation Reserves	78 – 80
A-19 Schedule of Reserve for Encumbrances	81
A-20 Schedule of Due to State of New Jersey - Veteran's and Senior Citizen's Deductions	81
A-21 Schedule of Prepaid Taxes	82
A-22 Schedule of Tax Overpayments	82
A-23 Schedule of Local School Tax Payable	83
A-24 Schedule of Regional High School Tax Payable	84
A-25 Schedule of County Taxes Payable	85
A-26 Schedule of Due to Outside Agencies	85
A-27 Schedule of Due to Outside Lienholders	86
A-28 Schedule of Due to Federal and State Grant Fund	86
A-29 Schedule of Due to Sewer Operating fund	87
A-30 Schedule of Reserve for First Aid Squad	87
A-31 Schedule of Reserve for Veteran's Day Celebration	88
A-32 Schedule of Reserve for Municipal Relief Fund	88
A-33 Schedule of Reserve for Garden State Trust	89
A-34 Schedule of Sales Tax Payable	90
A-35 Schedule of Due from Current Fund	90
A-36 Schedule of Appropriated Reserves for Grants	91
A-37 Schedule of Unappropriated Reserves for Grants	92
A-38 Schedule of Reserve for Encumbrances (Grant Fund)	92
B. Trust Fund	
B-1 Schedule of Trust Fund Cash - Treasurer	93
B-2 Schedule of Trust Fund Cash and Reconciliation Per N.J.S.A. 40A:5-5 - Treasurer	94
B-3 Schedule of Reserve for Animal Control Fund Expenditures	95

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT**

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
Supplementary Schedules (continued)	
B. Trust Fund (continued)	
B-4 Schedule of Reserve for Encumbrances - Animal Control Fund	96
B-5 Schedule of Due to State of New Jersey	96
B-6 Schedule of Due to Current Fund - Other Trust Funds	97
B-7 Schedule of Small Cities Revolving Loans Receivable	97
B-8 Schedule of Reserve for Escrow Funds	98
B-9 Schedule of Reserve for Small Cities Revolving Loan	98
B-10 Schedule of Reserve for Recreation and Community Services	99
B-11 Schedule of Reserve for Development Fees	99
B-12 Schedule of Reserve for Tax Sale Premiums	100
B-13 Schedule of Reserve for Snow Removal	100
B-14 Schedule of Reserve for Payroll Account	101
B-15 Schedule of Reserve for Future Legal Expenses	101
B-16 Schedule of Reserve for Performance Bond	102
B-17 Schedule of Reserve for POAA	102
B-18 Schedule of Reserve for 150 th Anniversary Celebration	103
B-19 Schedule of Reserve for Firefighter Equipment	103
B-20 Schedule of Reserve for Encumbrances - Other Trust Funds	104
C. General Capital Fund	
C-2 Schedule of General Capital Fund Cash - Treasurer	105
C-3 Schedule of General Capital Fund Cash and Reconciliation - Treasurer Per N.J.S.A. 40A:5-5	105
C-4 Schedule of Cash Activity	106
C-5 Schedule of Due to Current Fund	107
C-6 Schedule of NJ Department of Transportation Grants Receivable	107
C-7 Schedule of Due from Clearing Account	108
C-8 Schedule of Reserve for Preliminary Plan Expenses	108
C-9 Schedule of Improvement Authorizations	109
C-10 Schedule of Reserve for Encumbrances	110
C-11 Schedule of Capital Improvement Fund	110
C-12 Schedule of Reserve for Capital Projects	111
D. Sewer Utility Fund	
D-5 Schedule of Cash - Treasurer	112
D-6 Schedule of Cash and Reconciliation - Treasurer Per N.J.S.A. 40A:5-5	113
D-7 Schedule of Cash - Collector	114
D-8 Schedule of Cash and Reconciliation - Collector Per N.J.S.A 40A:5-5	115
D-9 Schedule of Due from Payroll Account	116
D-10 Schedule of Consumer Accounts Receivable	116

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT**

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
Supplementary Schedules (continued)	
D. Sewer Utility Fund (continued)	
D-11 Schedule of Due from Sewer Capital Fund	117
D-12 Schedule of Fixed Capital	117
D-13 Schedule of Fixed Capital Authorized and Uncompleted	118
D-14 Schedule of Appropriation Reserves	119
D-15 Schedule of Sewer Rent Overpayments	120
D-16 Schedule of Prepaid Sewer Rents	120
D-17 Schedule of Due from Current fund	121
D-18 Schedule of Due to Sewer Operating Fund	121
D-19 Schedule of Improvement Authorizations	122
D-20 Schedule of Capital Improvement Fund	123
D-21 Schedule of Reserve for Amortization	123
D-22 Schedule of Deferred Reserve for Amortization	124
Other Reporting Required by Government Auditing Standards	
Independent Auditors' 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	125 - 126
Schedule of Findings and Responses	127
Supplementary Information	
Schedule 1 Schedule of Expenditures of Federal Awards	128
Schedule 2 Schedule of Expenditures of State and Local Financial Assistance	129
Notes to the Schedules of Expenditures of Federal, State, and Local Financial Assistance	130
Other Information	
Statistical Data	131 – 141
Schedule of Insurance	142
List of Officials	143
General Comments	144 – 145
Recommendations	146
Acknowledgments	147



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

To the Honorable Mayor and Members
of the Township Committee
Township of Holland, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying Financial Statements - Regulatory Basis of the various funds and account group of the Township of Holland, Hunterdon, New Jersey, as of December 31, 2023 and 2022, and for the years then ended, and the Notes to the Financial Statements which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the Comparative Balance Sheet - Regulatory Basis and the Comparative Statement of General Fixed Assets - Regulatory Basis of the various funds and account group of the Municipality as of December 31, 2023 and 2022, and the results of operations and changes in fund balance for the years then ended and the related Statement of Revenues - Regulatory Basis, Statement of Expenditures - Regulatory Basis, except for the budgetary information, which was not audited, for the year ended December 31, 2023 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division), as described in Note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Municipality as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

We conducted our audit in accordance with accounting 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 the Township of Holland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1, the financial statements are prepared by the Municipality on the basis of financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 that are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess 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 the Township of Holland'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Holland'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The supplementary schedules presented for the various funds, as listed in the Table of Contents as required by the Division are presented for the purpose of additional analysis and are not a required part of the financial statements - regulatory basis. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements - regulatory basis. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by the Division through the State of New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is also not a required part of the financial statements - regulatory basis. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements - regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the financial statements - regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements - regulatory basis or to the financial statements - regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules for the various funds, the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the financial statements - regulatory basis as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules as listed in the Table of Contents. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements - regulatory basis, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements - regulatory basis, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2024, on our consideration of the Municipality'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 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 Municipality's internal control over financial reporting and compliance.



BKC, CPAs, PC



Laura Atwell, CPA, PSA, RMA

June 21, 2024
Flemington, New Jersey

FINANCIAL STATEMENTS

REGULATORY BASIS

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis
Current Fund
December 31,

	Ref.	2023	2022
Assets			
Current fund			
Cash			
Treasurer	A-4	\$ 11,134,443	\$ 10,773,073
Tax collector	A-6	139,019	265,527
Change funds	A-8	550	550
Deferred charges			
Overexpenditure of budget appropriations	A-16	-	4,381
		11,274,012	11,043,531
Delinquent property taxes receivable	A-9	304,520	208,420
Tax title liens receivable	A-10	115,038	107,143
Property acquired for taxes - assessed valuation	A-11	5,700	5,700
Revenue accounts receivable	A-12	5,107	1,324
Due from other trust funds	A-14	1,472	68,923
		431,837	391,510
Total current fund		11,705,849	11,435,041
Federal and state grant fund			
Cash	A-4	89,892	5,097
Grants receivable	A-17	155,873	156,067
Due from current fund	A-35	5,980	983
Total federal and state grant fund		251,745	162,147
Total assets		\$ 11,957,594	\$ 11,597,188

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis (continued)
Current Fund
December 31,

	Ref.	2023	2022
Liabilities, reserves and fund balance			
Current fund			
Appropriation reserves	A-3;A-18	\$ 282,865	\$ 249,136
Reserve for encumbrances	A-19	35,251	18,100
Due to State of NJ Veteran's & Senior Citizen's deductions	A-20	3,034	2,784
Prepaid taxes	A-6; A-21	100,532	43,381
Tax overpayments	A-22	3,592	71,791
Local school tax payable	A-23	5,278,120	5,174,628
Regional high school taxes payable	A-24	2,515,641	2,477,778
County tax payable	A-25	16,134	9,556
Due to outside agencies	A-26	275	300
Due to outside lienholders	A-27	1,395	972
Due to federal and state grant fund	A-28	5,980	983
Due to sewer operating fund	A-29	-	4,715
Reserve for first aid squad	A-30	23,305	23,305
Reserve for Veterans Day Celebration	A-31	200	200
Reserve for Municipal Relief Fund	A-32	280,529	140,294
Reserve for Garden State trust	A-33	4,965	-
		8,551,818	8,217,923
Reserve for receivables	A	431,837	391,510
Fund balance	A-1	2,722,194	2,825,608
Total current fund		11,705,849	11,435,041
Federal and state grant fund			
Appropriated reserves for grants	A-36	189,669	160,189
Unappropriated reserves for grants	A-37	62,076	983
Reserve for encumbrances	A-38	-	975
Total federal and state grant fund		251,745	162,147
Total liabilities, reserves and fund balance		\$ 11,957,594	\$ 11,597,188

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of Operations and
Change in Fund Balance - Regulatory Basis
Current Fund
For the Years Ended December 31,

	Ref.	2023	2022
Revenues and other income realized			
Fund balance utilized	A-2	\$ 985,409	\$ 940,000
Miscellaneous revenue anticipated	A-2	3,824,617	4,042,051
Receipts from delinquent taxes	A-2	206,261	257,412
Receipts from current taxes	A-2	19,616,407	19,111,387
Non-budget revenue	A-2	162,455	176,955
Other credits to income			
Interfund returns - net	A-2	67,451	-
Unexpended balance of appropriation reserves	A-18	181,710	394,964
Tax overpayments canceled		-	103
Total income		<u>25,044,310</u>	<u>24,922,872</u>
Expenditures			
Budget and emergency appropriations			
Operations			
Salaries and wages	A-3	2,162,537	2,046,200
Other expenses	A-3	2,373,383	2,789,282
Capital improvements	A-3	500,000	500,000
Deferred charges and statutory expenditures	A-3	478,167	444,992
Local district school taxes	A-23	10,556,240	10,349,255
Regional high school taxes	A-24	5,031,286	4,955,547
County taxes	A-9; A-25	3,060,702	2,780,505
Other debits to income			
Interfund advances - net		-	68,320
Total expenditures		<u>24,162,315</u>	<u>23,934,101</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of Operations and
Change in Fund Balance - Regulatory Basis (continued)
Current Fund
For the Years Ended December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Excess in revenue		\$ 881,995	\$ 988,771
Adjustments to income before surplus			
Expenditures which are by statute deferred charges to budget of succeeding year	A-3; A-16	<u>-</u>	<u>4,381</u>
Regulatory excess to fund balance		881,995	993,152
Balance January 1,	A	<u>2,825,608</u>	<u>2,772,456</u>
		3,707,603	3,765,608
Decreased by			
Utilized as anticipated revenue	A-2	<u>985,409</u>	<u>940,000</u>
Balance December 31,	A	<u><u>\$ 2,722,194</u></u>	<u><u>\$ 2,825,608</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Revenues - Regulatory Basis
Current Fund
For the Year Ended December 31, 2023

	Ref.	Unaudited Anticipated		Realized	Excess or Deficit
		Budget	N.J.S.A. 40:4-87		
Fund balance anticipated	A-1	\$ 985,409	\$ -	\$ 985,409	\$ -
Miscellaneous revenues					
Licenses					
Alcoholic beverage	A-12	5,000	-	5,376	376
Fines and costs					
Municipal court	A-12	13,500	-	48,511	35,011
Interest & cost on taxes	A-6	45,000	-	30,255	(14,745)
Interest on investments and deposits	A-2	7,300	-	131,450	124,150
Riegel Ridge Community Center fees	A-12	420,000	-	551,918	131,918
Swimming pool fees	A-12	105,000	-	100,611	(4,389)
Snack bar fees	A-12	18,500	-	26,246	7,746
Energy receipts tax	A-12	2,708,073	-	2,708,073	-
Garden state trust fund	A-12	21,453	-	21,453	-
Clean communities grant	A-17	-	20,215	20,215	-
Recycling tonnage grant	A-17	4,232	-	4,232	-
Body armor	A-17	983	-	983	-
Emergency Management grant	A-17	-	10,000	10,000	-
Stormwater Management grant	A-17	-	25,000	25,000	-
Municipal relief fund act	A-32	140,294	-	140,294	-
Total miscellaneous revenues	A-1	3,489,335	55,215	3,824,617	280,067
Receipts from delinquent taxes	A-1; A-2	200,528	-	206,261	5,733
Property tax for support of municipal budget appropriations					
Local tax for municipal purposes	A-2	1,193,600	-	1,378,179	184,579
Budget totals		5,868,872	55,215	6,394,466	\$ 470,379
Non-budget revenues	A-1; A-2	-	-	162,455	
		<u>\$ 5,868,872</u>	<u>\$ 55,215</u>	<u>\$ 6,556,921</u>	
	<u>Ref.</u>	A-3	A-3		

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Revenues - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	<u>Ref.</u>			
Analysis of realized revenues				
Allocation of current tax collections				
Tax collections	A-1;A-9			\$ 19,616,407
Allocated to				
Local district school taxes	A-9			10,556,240
Regional high school taxes	A-9			5,031,286
County taxes	A-9			3,060,702
Total current tax collections				<u>18,648,228</u>
Balance for support of municipal budget appropriations				968,179
Add: appropriation - reserve for uncollected taxes	A-3			<u>410,000</u>
Realized for support of municipal budget	A-2			<u>\$ 1,378,179</u>
Analysis of delinquent tax collections				
Receipts from delinquent tax collections	A-9			\$ 206,011
Prior year veteran's deduction allowed	A-20			<u>250</u>
Total	A-2			<u>\$ 206,261</u>
Interest on investments				
Treasurer	A-4			\$ 115,468
Tax collector	A-6			14,811
Other trust fund	A-14			802
Federal and state grant fund	A-28			369
Total interest on investments	A-2			<u>\$ 131,450</u>
				Increase (Decrease)
Interfund advances and return analysis	<u>Ref.</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	
Due from escrow funds	A-14	\$ 1,472	\$ 68,923	\$ (67,451)
	<u>Ref.</u>	A	A	A-1

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Revenues - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	<u>Ref.</u>	
Analysis of realized revenues (continued)		
Analysis of non-budget revenue		
Treasurer		
Cell tower rent	\$	13,385
Planning board fees		2,875
Cable TV franchise fee		20,894
Veteran's and Seniors Citizen's - administrative fees		941
Clerk - other licenses		862
Perc testing fees		3,750
Registrar fees		4,997
Zoning fees and permits		12,600
Food handling licenses		3,700
Holland book sales		516
Driveway permits		1,875
Dumpster tickets		8,175
Recycling sales		1,649
Tire disposal		2,357
Police fees		42,042
Riegel Ridge Rams reimbursements		2,617
County reimbursement diesel fuel		3,201
FEMA COVID		29,635
Miscellaneous other		6,214
	A-4	\$ 162,285
Tax collector		
Duplicate tax bills	A-6	170
	A-2	\$ 162,455

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis
Current Fund
For the Year Ended December 31, 2023

	Unaudited		Expended by		Balance Canceled	Over- Expended
	Appropriations		Paid or Charged	Reserved		
	Budget	Budget After Modification				
Operations within CAPS						
General government						
Mayor and committee						
Salaries and wages	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
Other expenses	40,000	40,000	37,644	2,356	-	-
Municipal clerk						
Salaries and wages	100,000	91,818	90,942	876	-	-
Other expenses	32,000	26,000	22,207	3,793	-	-
Financial administration						
Salaries and wages	65,000	68,900	67,030	1,870	-	-
Other expenses	46,000	18,000	16,763	1,237	-	-
Audit services	35,535	35,535	30,035	5,500	-	-
IT other expenses	46,000	46,000	38,923	7,077	-	-
Collection of taxes						
Salaries and wages	29,000	29,000	23,500	5,500	-	-
Other expenses	20,000	20,100	20,084	16	-	-
Tax assessment administration						
Salaries and wages	44,100	44,100	44,014	86	-	-
Other expenses	2,800	2,800	1,519	1,281	-	-
Legal services and costs						
Other expenses	60,000	60,000	42,049	17,951	-	-
Engineering services and costs						
Other expenses	35,000	35,000	24,404	10,596	-	-
Historical preservation commission						
Salaries and wages	1,100	1,100	900	200	-	-
Other expenses	7,000	7,000	5,690	1,310	-	-
Public buildings and grounds						
Salaries and wages	30,000	2,500	-	2,500	-	-
Other expenses	220,000	220,000	201,972	18,028	-	-
Land use administration						
Planning board						
Salaries and wages	56,000	58,100	58,018	82	-	-
Other expenses	37,000	27,000	17,872	9,128	-	-
Environmental Commission						
Salaries and wages	15,000	15,000	9,636	5,364	-	-
Other expenses	18,000	18,000	13,763	4,237	-	-
Zoning officer						
Other expenses	2,000	2,000	710	1,290	-	-
Agricultural advisory committee		-				
Salaries and wages	1,100	1,100	500	600	-	-
Other expenses	11,400	11,400	4,625	6,775	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	Unaudited		Expended by			
	Appropriations		Paid or Charged	Reserved	Balance Canceled	Over- Expended
	Budget	After Modification				
Operations within CAPS (cont'd)						
Insurance						
Worker's Compensation	\$ 65,722	\$ 65,722	\$ 65,722	\$ -	\$ -	\$ -
Employee group health	400,000	415,000	410,283	4,717	-	-
Other insurance premiums	132,600	132,600	132,537	63	-	-
Public safety						
Police department						
Salaries and wages	800,000	815,000	815,000	-	-	-
Other expenses	90,500	90,500	89,231	1,269	-	-
Office of Emergency Management						
Salaries and wages	15,500	20,500	19,802	698	-	-
Other expenses	10,000	10,000	7,598	2,402	-	-
Aid to volunteer fire company	73,000	73,000	73,000	-	-	-
Aid to volunteer ambulance company	73,000	73,000	73,000	-	-	-
Fire hydrant rentals	23,000	23,000	20,919	2,081	-	-
Municipal court						
Other expenses	28,091	28,091	28,091	-	-	-
Public works						
Street and Road Maintenance						
Salaries and wages	485,000	485,000	476,307	8,693	-	-
Other expenses	226,000	222,900	190,824	32,076	-	-
Snow removal						
Other expenses	65,000	65,000	22,614	42,386	-	-
Health and welfare						
Board of Health						
Salaries and wages	1,500	1,500	1,200	300	-	-
Other expenses	2,000	2,000	894	1,106	-	-
Environmental health services						
Other expenses	3,000	3,000	2,800	200	-	-
Animal control						
Other expenses	15,000	15,000	15,000	-	-	-
Parks and recreation						
Recreation committee						
Salaries and wages	1,500	1,500	700	800	-	-
Other expenses	10,000	10,000	3,139	6,861	-	-
Riegel Ridge Community Center						
Salaries and wages	360,000	405,800	404,606	1,194	-	-
Other expenses	140,000	140,000	136,165	3,835	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	Unaudited Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget		Paid or Charged	Reserved		
	Budget	After Modification				
Operations within CAPS (cont'd)						
General government (cont'd)						
Parks and recreation (cont'd)						
Swimming pool						
Salaries and wages	\$ 100,000	\$ 88,200	\$ 88,196	\$ 4	\$ -	\$ -
Other expenses	32,000	32,000	30,126	1,874	-	-
Snack bar						
Salaries and wages	12,000	13,419	13,419	-	-	-
Other expenses	17,000	13,263	13,263	-	-	-
Unclassified						
Electricity	80,000	80,000	67,211	12,789	-	-
Street lighting	19,000	19,000	16,054	2,946	-	-
Telephone	30,000	30,000	24,752	5,248	-	-
Fuel oil	10,000	10,000	4,917	5,083	-	-
Gasoline & diesel fuel	62,100	62,100	44,089	18,011	-	-
Natural gas	22,000	22,000	17,974	4,026	-	-
Trash removal - dumpster	30,000	30,000	23,570	6,430	-	-
Total operations within CAPS	<u>4,408,548</u>	<u>4,398,548</u>	<u>4,125,803</u>	<u>272,745</u>	<u>-</u>	<u>-</u>
Contingent	-	-	-	-	-	-
Total operations including contingent within CAPS	<u>4,408,548</u>	<u>4,398,548</u>	<u>4,125,803</u>	<u>272,745</u>	<u>-</u>	<u>-</u>
Detail						
Salaries and wages	2,136,800	2,162,537	2,133,770	28,767	-	-
Other expenses (including contingent)	<u>2,271,748</u>	<u>2,236,011</u>	<u>1,992,033</u>	<u>243,978</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	Unaudited Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget		Paid or Charged	Reserved		
	Budget	After Modification				
Deferred charges and statutory expenditures						
Deferred charges						
Overexpenditure of budget appropriation	\$ 4,381	\$ 4,381	\$ 4,381	\$ -	\$ -	\$ -
Statutory expenditures						
Contribution to						
Public employees retirement system	113,862	113,862	113,862	-	-	-
Social Security system	164,000	174,000	169,400	4,600	-	-
Police and Firemen's retirement system	170,313	170,313	170,313	-	-	-
Defined contribution retirement program	4,611	4,611	2,686	1,925	-	-
Unemployment compensation insurance	11,000	11,000	10,360	640	-	-
Total deferred charges and statutory expenditures - Municipal within CAPS	468,167	478,167	471,002	7,165	-	-
Total general appropriations for municipal purposes within CAPS	4,876,715	4,876,715	4,596,805	279,910	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	Unaudited					
	Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations excluded from CAPS						
Aid to Free Public Library	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -
Public employees Retirement System	17,221	17,221	17,221	-	-	-
Police and Firemen's Retirement System	25,543	25,543	25,543	-	-	-
Worker's Compensation Insurance	1,278	1,278	1,223	55	-	-
Gasoline and Diesel	2,900	2,900	-	2,900	-	-
Public and Private Programs						
Offset by Revenues						
NJ Body Armor Grant	983	983	983	-	-	-
Clean Communities Grant	-	20,215	20,215	-	-	-
Stormwater Assistance Grant	-	25,000	25,000	-	-	-
Emergency Management Grant	-	10,000	10,000	-	-	-
Recycling Tonnage Grant	4,232	4,232	4,232	-	-	-
Total operations excluded from CAPS	<u>82,157</u>	<u>137,372</u>	<u>134,417</u>	<u>2,955</u>	<u>-</u>	<u>-</u>
Detail						
Other expenses	<u>82,157</u>	<u>137,372</u>	<u>134,417</u>	<u>2,955</u>	<u>-</u>	<u>-</u>
Capital improvements - excluded from CAPS						
Reserves for						
Purchase of fire truck	50,000	50,000	50,000	-	-	-
Road improvements	125,000	125,000	125,000	-	-	-
Improvements to 802						
Milford Warren Glen	300,000	300,000	300,000	-	-	-
RRCC equipment	10,000	10,000	10,000	-	-	-
Purchase of ambulance	15,000	15,000	15,000	-	-	-
Total capital improvements excluded from CAPS	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general appropriation, for municipal purposes excluded from CAPS	<u>582,157</u>	<u>637,372</u>	<u>634,417</u>	<u>2,955</u>	<u>-</u>	<u>-</u>
Subtotal general appropriations	5,458,872	5,514,087	5,231,222	282,865	-	-
Reserve for uncollected taxes	410,000	410,000	410,000	-	-	-
Total general appropriations	<u>\$ 5,868,872</u>	<u>\$ 5,924,087</u>	<u>\$ 5,641,222</u>	<u>\$ 282,865</u>	<u>\$ -</u>	<u>\$ -</u>
Ref.	A-3	A-3	A-1;A-3	A;A-1		

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2023

	Ref.	Paid or Charged
Paid or charged		
Cash disbursed	A-4	\$ 2,394,744
Reserve for uncollected taxes	A-2	410,000
Due to general capital fund	A-13	500,000
Due to payroll account	A-14	2,375,470
Due to animal control fund	A-15	15,000
Appropriated deferred charges	A-16	4,381
Reserve for encumbrances	A-19	35,251
Due to federal and state grant fund	A-28	4,710
Appropriated reserve for grants	A-36	60,430
Total		5,799,986
Less		
Appropriation refunds	A-4	158,764
Total paid or charged	A-3	\$ 5,641,222
 Appropriations		
Budget	A-2	\$ 5,868,872
Added by N.J.S.A. 40A:4-87	A-2	55,215
Total appropriations	A-3	\$ 5,924,087

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis
Trust Fund
December 31,

	Ref.	2023	2022
Assets			
Animal control fund			
Cash	B-1	\$ 11,192	\$ 8,678
Other trust funds			
Cash - Treasurer	B-1	856,471	894,959
Loans receivable	B-7	220,732	246,684
Total other trust funds		<u>1,077,203</u>	<u>1,141,643</u>
Total assets		<u>\$ 1,088,395</u>	<u>\$ 1,150,321</u>
Liabilities and reserves			
Animal control fund			
Reserve for animal control fund expenditures	B-3	\$ 10,681	\$ 8,013
Reserve for encumbrances	B-4	437	553
Due to State of New Jersey	B-5	74	112
Total animal control fund		<u>11,192</u>	<u>8,678</u>
Other trust funds			
Due to current fund	B-6	1,472	68,923
Reserve for escrow funds	B-8	252,314	247,937
Reserve for small cities revolving loan	B-9	466,583	464,236
Reserve for recreation and community services	B-10	284	7,773
Reserve for development fees	B-11	73,942	64,644
Reserve for tax sale premiums	B-12	71,900	82,100
Reserve for snow removal	B-13	109,965	100,692
Reserve for payroll account	B-14	326	14,745
Reserve for future legal expenses	B-15	15,219	15,149
Reserve for performance bond	B-16	72,940	72,690
Reserve for POAA	B-17	8	8
Reserve for one hundred fiftieth anniversary celebration	B-18	12,000	-
Reserve for firefighter training equipment	B-19	250	-
Reserve for encumbrances	B-20	-	2,746
Total other trust funds		<u>1,077,203</u>	<u>1,141,643</u>
Total liabilities and reserves		<u>\$ 1,088,395</u>	<u>\$ 1,150,321</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis
General Capital Fund
December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Assets			
Cash	C-2;C-4	\$ 2,227,947	\$ 1,886,224
Total assets		<u>\$ 2,227,947</u>	<u>\$ 1,886,224</u>
Liabilities, reserves and fund balance			
Reserve for preliminary plan expenses	C-8	\$ 2,480	\$ -
Improvement authorizations - funded	C-9	1,223,937	1,116,431
Reserve for encumbrances	C-10	122,410	68,390
Capital improvement fund	C-11	354,233	101,145
Reserve for capital projects	C-12	516,108	586,585
Fund balance	C-1	<u>8,779</u>	<u>13,673</u>
Total liabilities, reserves and fund balance		<u>\$ 2,227,947</u>	<u>\$ 1,886,224</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of Fund Balance - Regulatory Basis
General Capital Fund
For the Years Ended December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Balance - January 1	C	\$ 13,673	\$ 438,673
Increased by			
Improvement authorization balances canceled	C-9	195,106	-
		<u>208,779</u>	<u>438,673</u>
Decreased by			
Appropriated to finance improvement authorizations	C-9	200,000	425,000
Balance - December 31	C	<u>\$ 8,779</u>	<u>\$ 13,673</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis
Sewer Utility Fund
December 31,

	Ref.	2023	2022
Assets			
Operating fund			
Cash			
Treasurer	D-5	\$ 402,463	\$ 372,449
Collector	D-7	10,826	24,470
Total cash		<u>413,289</u>	<u>396,919</u>
Due from current fund	D-17	-	4,715
Receivables with full reserves			
Consumer accounts receivable	D-10	<u>64,183</u>	<u>45,008</u>
Total operating fund		<u>477,472</u>	<u>446,642</u>
Capital fund			
Cash	D-5	454,858	336,725
Fixed capital	D-12	1,404,238	1,404,238
Fixed capital authorized and uncompleted	D-13	<u>160,000</u>	<u>160,000</u>
Total capital fund		<u>2,019,096</u>	<u>1,900,963</u>
Total assets		<u><u>\$ 2,496,568</u></u>	<u><u>\$ 2,347,605</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Balance Sheet - Regulatory Basis (continued)
Sewer Utility Fund
December 31,

	Ref.	2023	2022
Liabilities, reserves and fund balance			
Operating fund			
Liabilities			
Appropriation reserves	D-4;D-14	\$ 137,828	\$ 138,155
Sewer rent overpayments	D-15	-	5,251
Prepaid sewer rents	D-16	1,828	1,483
Total liabilities		<u>139,656</u>	<u>144,889</u>
Reserve for receivables	D	64,183	45,008
Fund balance	D-1	273,633	256,745
Total operating fund		<u>477,472</u>	<u>446,642</u>
Capital fund			
Improvement authorizations	D-19	84,581	100,448
Capital improvement fund	D-20	294,545	160,545
Reserve for amortization	D-21	1,479,826	1,479,826
Deferred reserve for amortization	D-22	160,000	160,000
Capital fund balance	D-2	144	144
Total capital fund		<u>2,019,096</u>	<u>1,900,963</u>
Total liabilities, reserves and fund balance		<u>\$ 2,496,568</u>	<u>\$ 2,347,605</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of Operations and
Change in Fund Balance - Regulatory Basis
Sewer Utility Fund
For the Years Ended December 31,

	Ref.	2023	2022
Revenues and other income realized			
Fund balance utilized	D-3	\$ 50,000	\$ 50,000
Sewer service charges	D-3	543,889	546,436
Miscellaneous	D-3	9,485	3,328
Other credits to income			
Unexpended balance of appropriation reserves	D-14	53,514	60,621
Overpaid sewer accounts receivable balances canceled		-	55
Total income		656,888	660,440
Expenditures			
Operating expenses	D-4	455,000	455,000
Capital improvements	D-4	134,000	134,000
Deferred charges and statutory expenditures	D-4	1,000	1,000
Total expenditures		590,000	590,000
Statutory excess to fund balance		66,888	70,440
Fund balance			
Balance January 1,	D	256,745	236,305
		323,633	306,745
Decreased by			
Utilized as anticipated revenue	D-3	50,000	50,000
Balance December 31,	D	\$ 273,633	\$ 256,745

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of Fund Balance - Regulatory Basis
Sewer Capital Fund
For the Years Ended December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Balance - January 1	D	<u>\$ 144</u>	<u>\$ 144</u>
Balance - December 31	D	<u><u>\$ 144</u></u>	<u><u>\$ 144</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Revenues - Regulatory Basis
Sewer Utility Fund
For the Year Ended December 31, 2023

	Ref.	Unaudited Anticipated		Realized	Excess or Deficit
		Budget	N.J.S.A. 40:4-87		
Fund balance anticipated	D-1	\$ 50,000	\$ -	\$ 50,000	\$ -
Sewer service charges	D-1;D-10	540,000	-	543,889	3,889
		<u>590,000</u>	<u>-</u>	<u>593,889</u>	<u>3,889</u>
Non-budget revenue	D-1;D-3	-	-	9,485	9,485
		<u>\$ 590,000</u>	<u>\$ -</u>	<u>\$ 603,374</u>	<u>\$ 13,374</u>
	<u>Ref.</u>	<u>D-4</u>			
Analysis of non-budget revenue					
Interest on deposits					
Sewer operating	D-5		\$ 3,661		
Collector	D-7		936		
Sewer capital	D-11		3,166		
Interest and costs on payments					
Cash receipts	D-7		<u>1,722</u>		
	D-3		<u>\$ 9,485</u>		

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis
Sewer Utility Fund
For the Year Ended December 31, 2023

	Unaudited Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating						
Salaries and wages	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
Other expenses	20,000	20,000	9,348	10,652	-	-
Contribution to Milford sewer	430,000	430,000	303,441	126,559	-	-
Capital improvements						
Capital improvement fund	134,000	134,000	134,000	-	-	-
Contribution to Social Security system	1,000	1,000	383	617	-	-
	<u>\$590,000</u>	<u>\$ 590,000</u>	<u>\$ 452,172</u>	<u>\$ 137,828</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Ref.</u>	D-3	D-3	D-1; Below	D; D-1		
Disbursements	D-5		\$312,789			
Due from payroll account	D-9		5,383			
Due to sewer capital fund	D-11		134,000			
			<u>\$452,172</u>			

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Comparative Statement of General Fixed Assets - Regulatory Basis
General Fixed Assets Account Group
For the Year Ended December 31,

	<u>2023</u>	<u>2022</u>
General fixed assets		
Land	\$ 3,025,100	\$ 3,025,100
Construction in progress	25,320	19,960
Building and building improvements	7,978,314	7,978,314
Machinery and equipment	<u>5,631,071</u>	<u>5,611,111</u>
Investment in general fixed assets	<u>\$ 16,659,805</u>	<u>\$ 16,634,485</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 - Summary of significant accounting policies

Description of reporting entity

The Township of Holland (the Municipality) is located in the County of Hunterdon, State of New Jersey, which was founded by an Act of the New Jersey Legislature in 1879. The Municipality is governed by a five-member committee, which includes a Mayor.

Component unit

Except as noted below, the Financial Statements - Regulatory Basis of the Municipality include every board, body, office, or commission supported and maintained wholly or in part by funds appropriated by the Municipality, as required by N.J.S.A. 40A:5-5. Component units are legally separate organizations for which the Municipality is financially accountable. The Municipality is financially accountable for an organization if the Municipality appoints a voting majority of the Organization's governing board and (1) the Municipality is able to significantly influence the programs or services performed or provided by the Organization; or (2) the Municipality is legally entitled to or can otherwise access the Organization's resources; the Municipality is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the Organization; or the Municipality is obligated for the debt of the Organization. Component units may also include organizations that are fiscally dependent on the Municipality in that the Municipality approves the budget, the issuance of debt or the levying of taxes. There are no component units of the Municipality.

Description of funds and account group

The accounting policies of the Municipality conform to the accounting principles applicable to municipalities, which have been prescribed by the New Jersey Division of Local Government Services, Department of Community Affairs (State of New Jersey). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Municipality accounts for its financial transactions through the following separate funds and account group:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 - Summary of significant accounting policies (continued)

Description of funds and account group (continued)

Account groups

General Fixed Assets Account Group - to account for all fixed assets of the Municipality. Neither infrastructure nor depreciation of assets of the Municipality is recorded in the group.

Basis of accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting policies generally accepted in the United States of America (GAAP). The more significant differences, which may be material, are discussed further in Note 1.

A modified accrual basis of accounting is followed with minor exceptions.

Budget and budgetary procedures - The State of New Jersey has promulgated the form and procedures for the Municipality's cash basis budget in the Local Budget Law (N.J.S.A. 40A:4-1). The Municipality is only required to adopt budgets for the Current Fund and any Utility Fund, if applicable.

The Municipality must introduce and approve its annual budget no later than February 10th and adopt no later than March 20th of its budget year, unless extended by the Director of the Division of Local Government Services (the Director). All budgets shall be introduced, approved, amended, and adopted by resolution passed by not less than a majority of the full membership of the governing body. The approved budget must be advertised, and a public hearing must be held prior to adoption. No budget or amendment thereof shall be adopted unless the Director has certified his approval thereof.

Emergency and special emergency appropriations may be made by resolution adopted by a 2/3 vote of the full membership of the governing body. All emergency appropriations must be raised in full in the succeeding year's budget, while special emergency appropriations financed from surplus funds shall be raised in installments of at least 20% annually until fully provided for.

Transfers between current year appropriations are allowed only during the last two months of the fiscal year. Transfers between prior year appropriation reserves are allowed only during the first three months of the fiscal year.

Revenues - are recorded when received in cash except for certain amounts which are due from other Governmental Units. Receipts from Federal and State grants are realized as revenue when anticipated in the Municipal Budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Municipality's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Municipality, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 - Summary of significant accounting policies (continued)

Basis of accounting (continued)

Expenditures - are recorded on the budgetary basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at year-end are reported as a cash liability in the financial statements and constitute part of the Municipality's statutory appropriation reserve balance.

Appropriation Reserves - covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Acquired for Taxes/Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to municipal use, it will be recorded in the general fixed assets account group.

Tax Title Liens - are taxes which have been put up for sale but not been purchased. The Municipality then accepts the lien which will earn 18% per annum until the lien is paid off by the property owner. The Municipality may choose to foreclose and return the property to the tax rolls.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Deferred Charges to Future Taxation - Funded and Unfunded (Capital Fund) - upon authorization of capital projects, the Municipality establishes deferred charges for the costs of the projects that are to be raised by future taxation. Deferred charges relating to permanent debt issued are shown as funded. Other deferred charges are shown as unfunded.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 - Summary of significant accounting policies (continued)

Basis of accounting (continued)

General Fixed Assets - in accordance with New Jersey Administrative Code Section 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the State of New Jersey, which differs in certain respects from generally accepted accounting principles, all local units are required to have and maintain a fixed assets accounting and reporting system. In accordance with this administrative code requirement, fixed assets acquired after December 31, 1985, shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The Municipality defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 5 years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

No depreciation has been provided for in the financial statements.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Compensated absences - are granted to employees for varying amounts of sick and vacation leave in accordance with the Municipality's personnel policy and bargaining agreements, which permits employees to accumulate unused leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the Municipality for the unused leave.

The liability for compensated absences has not been accrued. Expenditures are recognized as the payments are made.

Departures from generally accepted accounting principles

As noted, the accounting principles and practices used differ in some respects from Generally Accepted Accounting Principles (GAAP) for local governmental units. The more significant differences, which may be material, are as follows:

1. Revenues - GAAP records taxes, utility charges and other revenues as income when levied and there is no reserve for receivables for unpaid balances.
2. Expenditures - GAAP records expenditures when incurred and does not reflect appropriation reserve balances or deferred charges to future taxation.
3. Foreclosed property - GAAP records the value of foreclosed property at the lower of cost or fair market value and would be recorded in the general fixed asset account group.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1 - Summary of significant accounting policies (continued)

Departures from generally accepted accounting principles (continued)

4. Interfunds - GAAP does not require offsetting reserves for interfund receivables and resulting revenue recognition when interfunds are liquidated.
5. Inventories - GAAP requires inventories to be reported on the balance sheet at year-end.
6. Fixed assets - GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recording of depreciation as an operating expense of the utility.
7. Grant accounting - GAAP requires that grants be recorded within a special revenue fund and revenues are not to be realized until earned.
8. Capital Funds - GAAP requires separate funds for recording capital projects and payment of debt service. New Jersey requires records these transactions within one fund.
9. Compensated absence liabilities for sick and vacation pay and for contributions to state administered pension plans are not recorded until paid.
10. Losses arising from tax appeals and other contingencies are not recorded until paid.
11. Financial Reporting Model - These statements are not presented on the requirements as promulgated by the following GASB Statements which made a dramatic change to the financial reporting requirements of State and Local governments as it relates to reporting for GAAP purposes:

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - Information regarding pension activity is disclosed rather than reported.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - Information regarding postemployment benefits other than pensions are disclosed rather than reported.

GASB Statement No. 84, *Fiduciary Activities* - This statement made dramatic changes to the financial reporting requirements relating to trust funds.

GASB Statement No. 87, *Leases* - Information regarding leases are disclosed rather than reported.

It is not practicable to determine the effect of these differences on the financial statements.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2 - Deposits and investments

Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. Certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Therefore, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey Municipal Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Municipal Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the Municipality may invest with any one issuer.

The cash management plan adopted by the Municipality requires it to deposit funds in public depositories protected from loss under provisions of the act.

Custodial credit risk - deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Municipality's deposits might not be recovered. The Municipality does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Municipality relative to the happening of a future condition.

As of December 31, 2023 and 2022, the Municipality's bank balances were exposed to custodial credit risk as follows:

	2023	2022
Insured by the FDIC	\$ 275,013	\$ 250,000
Deposits with New Jersey Cash Management Fund	80,964	77,069
Deposits protected by GUDPA	15,089,969	14,557,698
Total	\$ 15,445,946	\$ 14,884,767

Concentration of credit risk

The State of New Jersey does not place any limit on the amount that the Municipality may invest with one issuer. As of December 31, 2023, and 2022, the Municipality's funds were invested in the New Jersey Cash Management Fund.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 3 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's Local School, and the County, the tax rate is determined by the County Board of Taxation based on the certified amounts in each of the taxing municipalities for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing municipalities are permitted in New Jersey for various special services rendered to the properties located within the special municipalities.

Tax bills are mailed annually in June. The taxes are due August 1st and November 1st, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1st and May 1st of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

Note 4 - Long-term debt

The Local Bond Law of the State of New Jersey governs the authorization of debt by municipalities to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded. Bond anticipation notes may also be issued to temporarily finance capital projects for periods not greater than one year and may be reissued in yearly installments not to exceed ten years. All bonds and notes issued by the Municipality are general full faith and credit obligations.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 4 - Long-term debt (continued)

Summary of statutory debt condition - annual debt statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement.

Net debt of \$ - divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$806,652,953 equals a statutory net debt of .000%.

Borrowing power under N.J.S.A. 40A:2-6 as amended

3 ½ % of equalized valuation basis (municipal)	\$ 28,232,853
Net debt	-
Remaining borrowing power	\$ 28,232,853

Note 5 - School taxes

Local Municipality Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	Local District School Tax		Regional High School Tax	
	Balance 12/31/23	Balance 12/31/22	Balance 12/31/23	Balance 12/31/22
Balance of tax	\$ 5,278,120	\$ 5,174,628	\$ 2,515,641	\$ 2,477,778
Deferred	-	-	-	-
Tax payable (prepaid)	\$ 5,278,120	\$ 5,174,628	\$ 2,515,641	\$ 2,477,778

Note 6 - Taxes collected in advance

Taxes collected in advance, include discounts allowed for prepayments and the amount set forth as cash liabilities in the financial statements as follows:

	Balance 12/31/23	Balance 12/31/22
Prepaid taxes	\$ 100,532	\$ 43,381
Less: discount allowed	-	-
Cash liability for taxes collected in advance	\$ 100,532	\$ 43,381

Note 7 - Pensions

Employees, who are eligible for a pension plan, are enrolled in one of the following pension systems:

- (1) The Public Employees' Retirement System
- (2) Defined Contribution Retirement Program
- (3) The Police and Firemen's Retirement System

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for the Municipal's share of net pension liability for the Public Employees' Retirement System and the municipal and state share of net pension liability for the Police and Firemen's Retirement System.

Public employee's retirement system

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 Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years 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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)
Public employee's retirement system (continued)
Allocation methodology

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 for each group as of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the State fiscal year ended June 30, 2022.

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 non-contributory group insurance benefits is based on actual claims paid. For State Fiscal Year 2022, 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, PL 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 the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, 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 will be adjusted by the rate of return on the actuarial value of assets.

The contribution rate was 7.50% of base salary effective July 1, 2018.

The Municipality's contractually required contribution rate for the year ended December 31, 2023 and 2022 was 16.38% and 14.26 %, respectively, of the Municipality's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The Municipality contributed \$131,083 and \$110,012 for the year ending December 31, 2023 and 2022, respectively.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Special funding situation

Under N.J.S.A. 43:15A-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 Chapter 366, P.L. 2001 and Chapter 133, 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 or deferred outflows or inflows 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$3,301 to the PERS for normal pension benefits on behalf of the Municipality.

Collective net pension liability and actuarial information

The Municipality's proportionate share of the collective net pension liability for PERS as of the Plan measurement date of June 30, 2022 and 2021 are as follows:

	2022	2021
Net pension liability	\$ 1,568,713	\$ 1,112,833
Proportionate share	0.0103947667%	0.0093937710%
 Plan fiduciary net position as a percentage of the total pension liability	 62.91%	 70.33%

Actuarial assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective net pension liability and actuarial information (continued)

Actuarial assumptions (continued)

Inflation rate

Price	2.75%
Wage	3.25%

Salary increases (based on years of service) 2.75% - 6.55%

Investment rate of return 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)
Public employee's retirement system (continued)
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk management strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 will be based on 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 collective net pension liability to changes in the discount rate

The following presents the Municipality's proportionate share of the collective net pension liability of as of the plan measurement date of June 30, 2022 and 2021 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Sensitivity of the collective net pension liability to changes in the discount rate (continued)

Municipality's proportionate share of the net pension liability	<u>2022</u>	
At current discount rate (7.00%)	\$	1,568,713
At a 1% lower rate (6.00%)		2,015,337
At a 1% higher rate (8.00%)		1,188,618
Municipality's proportionate share of the net pension liability	<u>2021</u>	
At current discount rate (7.00%)	\$	1,112,833
At a 1% lower rate (6.00%)		1,515,453
At a 1% higher rate (8.00%)		771,153

Collective deferred outflows of resources and deferred inflows of resources

At the Plan measurement date of June 30, 2022 and 2021, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,322	\$ 9,985	\$ 17,551	\$ 7,967
Changes of assumptions	4,860	234,898	5,796	396,176
Net difference between projected and actual earnings on pension plan investments	64,928	-	-	293,150
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	166,156	192,182	23,562	287,755
Total	\$ 247,266	\$ 437,065	\$ 46,909	\$ 985,048

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the Plan measurement date of June 30, 2022 and 2021:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

<u>June 30, 2022</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 17,551	\$ (6,229)	\$ 11,322
Changes of assumptions	5,796	(936)	4,860
Differences between projected and actual investment earnings on pension plan investments	-	64,928	64,928
Deferred inflows of resources			
Differences between expected and actual experience	(7,967)	(2,018)	(9,985)
Changes of assumptions	(396,176)	161,278	(234,898)
Differences between projected and actual investment earnings on pension plan investments	(293,150)	293,150	-
Net changes in deferred outflows (inflows) of resources	<u>\$ (673,946)</u>	<u>\$ 510,173</u>	<u>\$ (163,773)</u>
<u>June 30, 2021</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 34,290	\$ (16,739)	\$ 17,551
Changes of assumptions	190,767	(184,971)	5,796
Deferred inflows of resources			
Differences between expected and actual experience	(8,440)	473	(7,967)
Changes of assumptions	(663,116)	266,940	(396,176)
Differences between projected and actual investment earnings on pension plan investments	(30,157)	(262,993)	(293,150)
Net changes in deferred outflows (inflows) of resources	<u>\$ (476,656)</u>	<u>\$ (197,290)</u>	<u>\$ (673,946)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

Deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from the Municipality's contributions subsequent to the measurement date, and deferrals from change on proportion) will occur in future periods for the Plan measurement date of June 30, 2022 and 2021 as follows:

	<u>2022</u>		<u>2021</u>
2023	\$ (134,564)	2022	\$ (262,580)
2024	(68,555)	2023	(187,482)
2025	(33,433)	2024	(127,830)
2026	72,938	2025	(96,091)
2027	(159)	2026	37
Total	<u>\$ (163,773)</u>	Total	<u>\$ (673,946)</u>

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense or benefit related to specific liabilities of individual employers, for the Municipality for the Plan measurement date of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 75,613	\$ 65,533
Interest on total pension liability	303,266	257,530
Benefit changes	880	-
Member contributions	(63,057)	(53,317)
Administrative expense	1,354	932
Expected investment return net of investment expense	(202,439)	(140,497)
Pension expense related to specific liabilities of individual employers	(1,086)	(657)
Recognition of deferred inflows/outflows of resources		
Amortization of expected versus actual experience	3,590	7,216
Amortization of assumption changes or inputs	(226,693)	(195,483)
Amortization of projected versus actual investment earnings on pension plan investments	(5,035)	(93,225)
Pension expense (benefit)	<u>\$ (113,607)</u>	<u>\$ (151,968)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15:c-1 et seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established maximum compensation limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established maximum compensation limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for Tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the minimum number of hours per week required for Tiers 4 or 5 enrollment, but who earn salary of at least \$5,000 annually. For the year ended December 31, 2023 and 2022, the Municipality contributed \$2,686 and \$3,243 respectively. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program website: www.prudential.com/njdcrp.

All members who become eligible for DCRP are immediately vested. Benefits include a defined contribution retirement plan distribution that can be received in a lump sum or in portions upon retirement, life insurance coverage, and long-term disability coverage.

Police and Fireman’s retirement system

Plan description

The State of New Jersey, Police and Firemen’s Retirement System (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 Division’s Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/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	Member Eligibility
1	Enrolled prior to May 22, 2010
2	Enrolled on or after May 22, 2010 and prior to June 28, 2011
3	Enrolled on or after June 28, 2011

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (continued)

Plan description (continued)

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.

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 is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, 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, PL 2009 provided an option for local employers 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 will determine the unfunded liability of those retirement systems, 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 will be adjusted by the rate of return on the actuarial value of assets.

The contribution policy for PFRS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are a percentage of annual compensation, as defined, and are 10.00% of employees' annual contractual compensation.

The Township's contractually required contribution rate for the year ended December 31, 2023 and 2022 was 29.81% and 28.38%, respectively, of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The Municipality contributions were \$195,856 and \$164,554 for the year ending December 31, 2023 and 2022, respectively.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (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 or deferred outflows or inflows 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$38,193 to the PFRS for normal pension benefits on behalf of the Municipality, which was more than the contractually required contributions of \$35,394. During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$25,214 to the PFRS for normal pension benefits on behalf of the Municipality, which was less than the contractually required contributions of \$32,325.

Collective net pension liability and actuarial information

The Municipality's proportionate share of the net pension liability for PFRS as of the Plan measurement date of June 30, 2022 and 2021 are as follows:

	2022	2021
Municipality proportionate share of net pension liability	\$ 2,030,546	\$ 1,322,240
Less: State proportionate share of net pension liability	306,780	290,248
Net pension liability	\$ 1,723,766	\$ 1,031,992
Proportionate share	0.0150595100%	0.0141191755%
Plan fiduciary net position as a percentage of the total pension liability	68.33%	77.26%

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (continued)

Collective net pension liability and actuarial information (continued)

Actuarial assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through all future years	3.25% - 16.25%
Investment rate of return	7.00%

Employee mortality rates were based on the PubS-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, post-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP- 2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 PFRS's target asset allocation as of June 30, 2022, are summarized in the following table:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)
Police and Fireman's retirement system (continued)
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging market equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the Municipality's proportionate share of the collective net pension liability of as of the Plan measurement date of June 30, 2022 and 2021 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>Municipality's proportionate share of the net pension liability</u>	2023
At current discount rate (7.00%)	\$ 2,030,546
At a 1% lower rate (6.00%)	2,786,127
At a 1% higher rate (8.00%)	1,401,519
<u>Municipality's proportionate share of the net pension liability</u>	2022
At current discount rate (7.00%)	\$ 1,322,240
At a 1% lower rate (6.00%)	2,007,780
At a 1% higher rate (8.00%)	751,602

Collective deferred outflows of resources and deferred inflows of resources

At the Plan measurement date of June 30, 2022 and 2021, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,022	\$ 105,604	\$ 11,774	\$ 123,622
Changes of assumptions	4,724	216,988	5,491	309,283
Net difference between projected and actual earnings on pension plan investments	157,846	-	-	439,765
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	108,589	78,262	31,023	104,278
Total	\$ 349,181	\$ 400,854	\$ 48,288	\$ 976,948

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the Plan measurement date of June 30, 2022 and 2021:

<u>June 30, 2022</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 11,774	\$ 66,248	\$ 78,022
Changes of assumptions	5,491	(767)	4,724
Differences between projected and actual investment earnings on pension plan investments	-	157,846	157,846
Deferred inflows of resources			
Differences between expected and actual experience	(123,622)	18,018	(105,604)
Changes of assumptions	(309,283)	92,295	(216,988)
Differences between projected and actual investment earnings on pension plan investments	(439,765)	439,765	-
Net changes in deferred outflows (inflows) of resources	<u>\$ (855,405)</u>	<u>\$ 773,405</u>	<u>\$ (82,000)</u>
<u>June 30, 2021</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 18,508	\$ (6,734)	\$ 11,774
Changes of assumptions	4,620	871	5,491
Differences between projected and actual investment earnings on pension plan investments	107,639	(107,639)	-
Deferred inflows of resources			
Difference between expected and actual experience	(6,588)	(117,034)	(123,622)
Changes of assumptions	(492,157)	182,874	(309,283)
Differences between projected and actual investment earnings on pension plan investments	-	(439,765)	(439,765)
Net changes in deferred outflows (inflows) of resources	<u>\$ (367,978)</u>	<u>\$ (487,427)</u>	<u>\$ (855,405)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7 - Pensions (continued)

Police and Fireman's retirement system (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from the Municipality's contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) at the Plan measurement date of June 30, 2022 and 2021 are as follows:

	<u>2022</u>		<u>2021</u>
2023	\$ (86,218)	2022	\$ (273,848)
2024	(55,097)	2023	(205,562)
2025	(52,486)	2024	(176,387)
2026	109,636	2025	(173,939)
2027	1,057	2026	(21,939)
Thereafter	1,108	Thereafter	(3,730)
Total	<u>\$ (82,000)</u>	Total	<u>\$ (855,405)</u>

The components of allocable pension expense (benefit), which exclude pension expense or benefit related to specific liabilities of individual employers, for the Municipality for the Plan measurement date of June 30, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Service cost	\$ (53,408)	\$ 142,093
Interest on total pension liability	(196,240)	526,112
Current period benefit changes	(10,671)	23,561
Member contributions	25,958	(68,377)
Administrative expense	(899)	2,898
Expected investment return net of investment expense	151,011	(330,843)
Recognition of beginning of year deferred outflows of resources as pension expense	-	69,650
Recognition of beginning of year deferred inflows of resources as pension expense	-	(294,305)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs	3,160	1,398
Amortization of expected versus actual experience	75,651	(30,280)
Amortization of projected versus actual investment earnings on pension plan investments	(6,002)	(179,996)
Pension expense (benefit)	<u>\$ (11,440)</u>	<u>\$ (138,089)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits

Plan description - The Municipality contributes to the State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the State of New Jersey Division of Pensions and Benefits. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information, please refer to the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The SHBP provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

The Municipality has adopted a resolution to participate in the SHBP.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postretirement medical benefits under the Plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Municipality monthly. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee.

The Municipality's contributions to the SHBP for retirees' postretirement benefits for the years ended December 31, 2023 and 2022 were \$40,572 and \$29,465, which equaled the required benefit contribution for each year.

Allocation methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense (benefit) are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ration of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and non-employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and non-employer may result in immaterial differences.

Components of net OPEB liability

The Municipality's proportionate share of the net OPEB liability of the participating employers in the SHBP as of the Plan measurement date of June 30, 2022 and 2021, were as follows:

	2022	2021
Net OPEB liability	\$ 3,343,774	\$ 3,581,236
Proportionate share	0.020705%	0.019896%
Plan fiduciary net position (deficit) as a percentage of the total OPEB liability	(0.36)%	0.28%

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. Salary increases are based on the defined benefit plan that the member is enrolled in and the member's age. The actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Components of net OPEB liability (continued)

Salary increases (based on years of service)

Public Employees' Retirement System (PERS)	2.75% to 6.55%
Police and Fireman's Retirement System (PFRS)	3.25% to 16.25%

Mortality:

- PERS Pub-2010 General classification head count weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
- PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount rate

The discount rate for June 30, 2022 and 2021 was 3.54% and 2.16% respectively. This represents the Municipal Bond return rate as chosen by the state. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the Municipal Bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the Municipal Bond rate.

Sensitivity of net OPEB liability to changes in the discount rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022 and 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2022	2021
At current discount rate (3.54% and 2.16%)	\$ 3,343,774	\$ 3,581,236
At a 1% lower rate (2.54% and 1.16%)	3,876,107	4,214,428
At a 1% higher rate (4.54% and 3.16%)	2,915,462	3,079,418

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Sensitivity of net OPEB liability to changes in the healthcare trend rate

The following presents the collective net OPEB liability of the participating employers as of the Plan measurement date of June 30, 2022 and 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2022	2021
Healthcare cost trend rate	\$ 3,343,774	\$ 3,581,236
At a 1% lower rate (1% decrease)	2,836,624	2,987,957
At a 1% higher rate (1% increase)	3,993,290	4,355,392

Collective deferred outflows of resources and deferred inflows of resources

At the Plan measurement date of June 30, 2022 and 2021, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 172,676	\$ 619,794	\$ 80,359	\$ 749,248
Changes of assumptions	446,240	1,141,166	515,172	633,026
Net difference between projected and actual earnings on OPEB plan investments	880	-	1,712	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	1,440,042	244,430	1,528,222	336,354
Total	\$ 2,059,838	\$ 2,005,390	\$ 2,125,465	\$ 1,718,628

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the Plan measurement date of June 30, 2022 and 2021, respectively:

<u>June 30, 2022</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 80,359	\$ 92,317	\$ 172,676
Changes of assumptions	515,172	(68,932)	446,240
Differences between projected and actual investment earnings on OPEB plan investments	1,397	(517)	880
Deferred inflows of resources			
Differences between expected and actual experience	(749,248)	129,454	(619,794)
Changes of assumptions	(633,026)	(508,140)	(1,141,166)
Net changes in deferred outflow (inflows) of resources	<u>\$ (785,346)</u>	<u>\$ (355,818)</u>	<u>\$ (1,141,164)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan measurement date as of June 30, 2022:

2023	\$ (302,993)
2024	(303,260)
2025	(239,480)
2026	(106,953)
2027	(23,979)
2028 - 2029	(164,499)
Total	<u>\$ (1,141,164)</u>

The year of deferral for the differences between projected and actual investment earnings on OPEB plan investments was 2022, 2021, 2020, 2019 and 2018, and the amortization period was 5 years for each year. The years of deferral for the change of assumptions for deferred outflows of resources were 2021 and 2020, and the amortization period was 7.82 years and 7.87 years respectively. The year of deferral for the change in assumptions for deferred inflows of resources was 2022, 2019, 2018 and 2017, and the amortization period was 7.82, 8.05, 8.14 and 8.04 years, respectively.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14, and 8.04 years for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

<u>June 30, 2021</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 63,512	\$ 16,847	\$ 80,359
Changes of assumptions	360,656	154,516	515,172
Differences between projected and actual investment earnings on OPEB plan investments	1,397	315	1,712
Deferred inflows of resources			
Differences between expected and actual experience	(495,928)	(253,320)	(749,248)
Changes of assumptions	(600,965)	(32,061)	(633,026)
Net changes in deferred outflows (inflows) of resources	<u>\$ (671,328)</u>	<u>\$ (113,703)</u>	<u>\$ (785,031)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan measurement date as of June 30, 2021:

2022	\$ (213,833)
2023	(214,114)
2024	(214,371)
2025	(153,083)
2026	(25,734)
Thereafter	36,104
Total	<u>\$ (785,031)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)

Changes in proportion (continued)

The year of deferral for the differences between projected and actual investment earnings on OPEB plan investments was 2021, 2020, 2018 and 2017, and the amortization period was 5 years for each year. The year of deferral for the change of assumptions for deferred outflows of resources were 2020 and the amortization period was 7.87 years. The year of deferral for the change in assumptions for deferred inflows of resources was 2020, 2019, 2018 and 2017, and the amortization period was 7.87, 8.05, 8.14 and 8.04 years, respectively.

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts respectively.

OPEB (benefit) expense

The components of allocable OPEB (benefit) expense, which exclude OPEB (benefit) expense related to specific liabilities of individual employers, for the Plan measurement date of June 30, 2022 and 2021 are as follows:

	2022	2021
Service cost	\$ 164,947	\$ 168,335
Interest on total OPEB liability	83,104	82,337
Expected investment return	18	(474)
Administrative expense	2,554	2,255
Changes in benefit terms	83,332	404
Current period recognition (amortization) of deferred inflows/outflows of resources		
Differences between expected and actual experience	(130,527)	(139,981)
Changes of assumptions	(173,008)	(74,667)
Differences between projected and actual investment earnings on OPEB plan investments	835	989
Total OPEB (benefit) expense	<u>\$ 31,255</u>	<u>\$ 39,198</u>

Special funding situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 8 - Postretirement benefits (continued)
Special funding situation (continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB 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 nonemployer contribution entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation.

The State proportionate share of net OPEB liability attributable to the Municipality was \$1,026,110 and \$1,188,178 for plan years June 30, 2022 and June 30, 2021 respectively. The OPEB expense and related revenue was (\$168,304) and (\$162,131) for plan years June 30, 2022 and June 30, 2021 respectively.

Note 9 - Compensated absences

The Municipality has permitted certain employees to accrue unused sick pay which may be taken as time or paid at a later date at an agreed upon rate. At December 31, 2023 and 2022, the Municipality's liability is approximately \$43,672 and \$49,166 respectively.

Note 10 - Fixed assets

The following schedule is a summarization of the changes in general fixed assets for the years ended December 31, 2023 and 2022:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Land	\$ 3,025,100	\$ -	\$ -	\$ 3,025,100
Building and building improvements	7,978,314	-	-	7,978,314
Furniture, machinery and equipment	5,611,111	19,960	-	5,631,071
Construction in progress	19,960	25,320	19,960	25,320
Subtotal	<u>16,634,485</u>	<u>45,280</u>	<u>19,960</u>	<u>16,659,805</u>
Transfers	-	(19,960)	(19,960)	-
Total	<u>\$ 16,634,485</u>	<u>\$ 25,320</u>	<u>\$ -</u>	<u>\$ 16,659,805</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 10 - Fixed assets (continued)

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Land	\$ 2,439,700	\$ 1,223,900	\$ 638,500	\$ 3,025,100
Building & building improvements	7,617,220	361,094	-	7,978,314
Furniture, machinery & equipment	5,321,478	289,633	-	5,611,111
Construction in progress	12,857	240,469	233,366	19,960
Subtotal	<u>15,391,255</u>	<u>2,115,096</u>	<u>871,866</u>	<u>16,634,485</u>
Transfers	-	(233,366)	(233,366)	-
Total	<u>\$ 15,391,255</u>	<u>\$ 1,881,730</u>	<u>\$ 638,500</u>	<u>\$ 16,634,485</u>

Note 11 - Interfunds receivable and payable

The following interfund balances remained on the various balance sheets of the Municipality as of December 31, 2023 and 2022:

<u>December 31, 2023</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current fund		
Other trust funds	\$ 1,472	\$ -
Federal and state grant fund	-	5,980
Federal and state grant fund		
Current fund	5,980	-
Other trust funds		
Current fund	-	1,472
	<u>\$ 7,452</u>	<u>\$ 7,452</u>

The balance due of \$1,472 to the current fund from the other trust fund represents interest earned and deposits made to other trust fund bank accounts that were not remitted to the current fund by the end of the year. The balance due of \$5,980 to the federal and state grant fund from the current fund represents net federal and state grant fund transactions in the current fund resulting in a balance due to the federal and state grant fund.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 11 - Interfunds receivable and payable (continued)

<u>December 31, 2022</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current fund		
Federal and state grant fund	\$ -	\$ 983
Other trust funds	68,923	-
Sewer operating fund	-	4,715
Federal and state grant fund		
Current fund	983	-
Other trust funds		
Current fund	-	68,923
Sewer operating fund		
Current fund	4,715	-
Total	<u>\$ 74,621</u>	<u>\$ 74,621</u>

The balance due of \$68,923 to the current fund from the other trust fund represents interest earned and deposits made to other trust fund bank accounts that were not remitted to the current fund by the end of the year. The balance due of \$983 to the federal and state grant fund from the current fund represents amounts deposited to the current fund bank account that were not remitted to the federal and state grant fund by year end. The balance due of \$4,715 to the sewer operating fund from the current fund represents sewer operating deposits made to the current fund bank account that was not remitted to the sewer operating fund by the end of the year.

Note 12 - Contingent liabilities

Litigation

The Municipality is involved with various litigation matters. It is believed that the outcome, or exposure to the Municipality, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Grantor agencies

Receipts and/or receivables from grantor agencies could be subject to audit and adjustment by Grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Municipality expects such amount, if any, to be immaterial.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 13 - Economic dependency

The Municipality receives a significant portion of revenue in the current fund from the energy receipts tax. Should the Municipality receive reduced funding from the energy receipts tax, it would be compelled to consider enhancing existing revenue streams, reducing services provided, or a combination of both.

Note 14 - Risk management

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Municipality maintains commercial insurance coverage for property, liability, and surety bonds. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

The Municipality is a member of the Statewide Insurance Fund (the Fund). The Fund is operated in accordance with regulations of the New Jersey Department of Banking and Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund was established for the purpose of providing low-cost insurance coverage as well as providing stability in coverage. All members' contributions to the Fund are based on actuarial assumptions for claims paid as determined by the Fund's Actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The following coverages are offered by the Fund to its members:

- a. Worker's Compensation and Employers' Liability
- b. General Liability and Auto Liability
- c. Property Damage
- d. Boiler and Machinery
- e. Law Enforcement Liability
- f. Public Officials' Liability
- g. Employment Practice Liability
- h. Crime
- i. Umbrella Liability
- j. Environmental Impairment Liability
- k. Excess Liability
- l. Non-owner Aircraft Liability
- m. Cyber Liability

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 14 - Risk management (continued)

Financial statements for the Statewide Insurance Fund can be obtained by contacting:

Statewide Insurance Fund
One Sylvan Way, Suite 100
Parsippany NJ 07054
1-862-260-2050
<http://www.swfund.com>

New Jersey Unemployment Compensation Insurance

The Municipality has elected to fund its NJ Unemployment Compensation Insurance under the Contributory Method. Under this Plan, the Municipality is required to remit the entire employee deduction of unemployment compensation to the state. Any claims for unemployment are paid for by the state from those funds.

Note 15 - Union contracts

As of December 31, 2023, select Municipal employees are organized into two collective bargaining units.

The New Jersey Policeman's Benevolent Association, Hunterdon County N.J. Local 188, (the Union), represents most full-time police officers in the Municipality. The Union is the exclusive and sole representative for the negotiations unit which includes Police Officers holding the ranks of Patrolman and Sergeant and which specifically excludes the Chief of Police. The term of the union contract is from January 1, 2020 to December 31, 2024.

The Teamsters Local Union 773 of Allentown PA (the Union) represents most full-time department of public works employees in the Municipality. The Union is the exclusive and sole representative for the negotiations unit which includes Department of Public Works employees and which specifically excludes the Department of Public Works Superintendent. The term of the union contract is from January 1, 2021 to December 31, 2025.

Note 16 - Deferred compensation plan

The Municipality has a deferred compensation plan available to employees. The Plan has been established pursuant to Section 457 of the Internal Revenue Code 3 and in accordance with applicable New Jersey statutes and the New Jersey Administrative Code section N.J.A.C. Under the arrangement, a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more investments permitted under state regulations. The Municipality's Plan is administered by the Variable Annuity Life Insurance Company, which is audited by another public accounting firm. The Plan is fully contributory, and the Municipality has no liabilities related to the Plan.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 17 - Loans receivable

The Municipality participated in a New Jersey grant program where funding is made available for housing rehabilitation projects for low- and moderate-income households within the Municipality. The loans must be repaid to the Municipality prior to the homeowner selling the property. The loans are non-interest bearing and require no regular principal payment. The balance of outstanding loans is \$220,732 as of December 31, 2023 and \$246,684 as of December 31, 2022.

Note 18 - Lease receivable

On June 4, 2004, the Township entered into a lease agreement for a communications company to use a tower located on land owned by the Township. The initial term of the lease is for five years and automatically renews for five additional five- year terms. Beginning with the first year of the respective five-year terms, the rent will increase fifteen percent. The amount receivable for the lease as of December 31, 2023, including interest, is as follows:

	Principal	Interest	Total
2024	\$ 8,597	\$ 7,279	\$ 15,876
2025	9,959	6,831	16,790
2026	10,478	6,312	16,790
2027	11,024	5,766	16,790
2028	11,598	5,192	16,790
2029 - 2033	80,403	15,093	95,496
2034	7,648	398	8,046
Total	\$ 139,707	\$ 46,871	\$ 186,578

Note 19 - Fund balances appropriated

For the year ending December 31, 2023 and 2022, fund balances which are appropriated in the succeeding year's budget and included as anticipated revenue in their own respective funds are as follows:

	2023	2022
Current fund balance appropriated in succeeding year's budget	\$ 960,012	\$ 985,409
Sewer operating fund balance appropriated in succeeding year's budget	50,225	50,000
Total fund balances appropriated	\$ 1,010,237	\$ 1,035,409

Note 20 - Subsequent events

The Municipality has determined that no material events or transactions have occurred subsequent to December 31, 2023 and June 21, 2024 the date of the Municipality's financial statement issuance, which requires additional financial disclosure in the Municipality's financial statements.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

TOWNSHIP OF HOLLAND
Schedule of Current Fund Cash - Treasurer

	Ref.	Current Fund	Federal & State Grant Fund
Balance - December 31, 2022	A	\$ 10,773,073	\$ 5,097
Increased by receipts			
Non-Budget Revenue	A-2	\$ 162,285	\$ -
Interest on Investments and Deposits	A-2	115,468	-
Appropriation Refunds	A-3	158,764	-
Tax collector	A-6	19,992,999	-
Revenue accounts receivable	A-12	3,462,188	-
Due from General Capital Fund	A-13	153,000	-
Due from other trust funds	A-14	1,572	-
Appropriation Reserve Refunds	A-18	929	-
State of NJ - Veteran's and Senior Citizen's Deductions	A-20	47,027	-
Due to Outside Agencies	A-26	175	-
Due from Federal and State Grant Fund	A-28	1,639	-
Reserve for Municipal Relief Fund	A-32	280,529	-
Reserve for Garden State Trust	A-33	4,965	-
Sales tax payable	A-34	1,837	-
Due from current fund	A-35	-	1,352
Appropriated reserves for grants	A-37	-	59,447
Unappropriated reserves for grants	A-37	-	61,000
		24,383,377	121,799
		35,156,450	126,896

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Current Fund Cash - Treasurer (continued)

	Ref.	Current Fund	Federal & State Grant Fund
Decreased by disbursements			
2023 budget appropriations	A-3	\$ 2,394,744	\$ -
2022 appropriation reserves	A-18	66,733	-
Due from general capital fund	A-13	653,000	-
Due from other trust funds	A-14	9,273	-
Due to payroll account	A-14	2,319,238	-
Due to animal control fund	A-15	15,000	-
Tax overpayments refunded	A-22	30,116	-
Local school tax payable	A-23	10,452,748	-
Regional high school tax payable	A-24	4,993,423	-
County taxes payable	A-25	3,054,124	-
Due to outside agencies	A-26	200	-
Due to outside lienholders	A-27	30,588	-
Due from Federal and State Grant Fund	A-28	983	-
Sales tax payable	A-34	1,837	-
Due to current fund	A-35	-	369
Appropriated reserves for state grants	A-36	-	35,660
Encumbrances payable	A-38	-	975
		<u>\$ 24,022,007</u>	<u>\$ 37,004</u>
Balance - December 31, 2023	A; A-5	<u>\$ 11,134,443</u>	<u>\$ 89,892</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Current Fund Cash and Reconciliation
Treasurer Per N.J.S.A 40A:5.5

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2023	A-4	\$ 11,134,443	\$ 89,892
Increased by			
Receipts		16,197,712	13,060
		<u>27,332,155</u>	<u>102,952</u>
Decreased by			
Disbursements		20,642,035	11,098
		<u>20,642,035</u>	<u>11,098</u>
Balance - April 30, 2024		<u>\$ 6,690,120</u>	<u>\$ 91,854</u>
Cash reconciliation - April 30, 2024			
Balance per statement			
Northfield Bank		\$ 6,572,462	\$ 91,854
Citizens Bank		25,283	-
NJ Cash Management		82,398	-
Subtotal		<u>6,680,143</u>	<u>91,854</u>
Add: deposits in transit		22,169	-
		<u>6,702,312</u>	<u>91,854</u>
Less: outstanding checks		12,192	-
		<u>12,192</u>	<u>-</u>
Book balance		<u>\$ 6,690,120</u>	<u>\$ 91,854</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Cash - Tax Collector

	<u>Ref.</u>		
Balance - December 31, 2022	A		\$ 265,527
Increased by receipts			
Interest and costs on taxes	A-2	\$ 30,255	
Interest on deposits	A-2	14,811	
Miscellaneous revenue not anticipated	A-2	170	
Taxes receivable	A-9	19,670,392	
Prepaid taxes	A-21	100,532	
Tax overpayments	A-22	24,035	
Due to outside lienholders	A-27	<u>31,011</u>	
			<u>19,871,206</u>
			20,136,733
Decreased by disbursements			
Paid to treasurer	A-4	19,992,999	
Due from sewer utility	A-29	<u>4,715</u>	
			<u>19,997,714</u>
Balance - December 31, 2023	A		<u><u>\$ 139,019</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Tax Collector Cash and Reconciliation
Tax Collector Per N.J.S.A. 40A:5.5

	<u>Ref.</u>	
Balance - December 31, 2023	A-6	\$ 139,019
Increased by		
Receipts		5,996,914
		<u>6,135,933</u>
Decreased by		
Disbursements		5,311,120
		<u>5,311,120</u>
Balance - April 30, 2024		<u><u>\$ 824,813</u></u>
Cash reconciliation - April 30, 2024		
Balance per statement		
Northfield Bank		\$ 455,869
Add: deposits in transit		368,944
Book balance		<u><u>\$ 824,813</u></u>

TOWNSHIP OF HOLLAND
Schedule of Change Funds

	<u>Ref.</u>	
Balance - December 31, 2022	A	<u>\$ 550</u>
Balance - December 31, 2023	A	<u><u>\$ 550</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year	Balance	2023 Levy	Added	Collected		Transferred	Veteran's &	Tax	Canceled	Balance
	12/31/22		2023	2022	2023	to Tax	Senior	Overpayment		12/31/23
						Title Liens	Citizen's	Applied		
2021	\$ 7,286	\$ -	\$ -	\$ -	\$ 7,286	\$ -	\$ -	\$ -	\$ -	\$ -
2022	201,134	-	-	-	198,725	-	250	-	-	2,159
2023	-	19,826,305	109,571	43,381	19,464,381	7,895	46,527	62,118	9,213	302,361
	<u>\$ 208,420</u>	<u>\$ 19,826,305</u>	<u>\$ 109,571</u>	<u>\$ 43,381</u>	<u>\$ 19,670,392</u>	<u>\$ 7,895</u>	<u>\$ 46,777</u>	<u>\$ 62,118</u>	<u>\$ 9,213</u>	<u>\$ 304,520</u>
<u>Ref.</u>	A	Reserve	Reserve	A-21	A-6	A-10	A-20	A-22	Reserve	A

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Taxes Receivable and Analysis of Property Tax Levy (continued)

	<u>Ref.</u>	
Analysis of 2023 property tax		
Tax yield		
General purpose tax		\$ 19,826,305
Added and omitted taxes		<u>109,571</u>
Total	A-9	<u>\$ 19,935,876</u>
Detail of tax levy		
Authorizations		
Local district school tax	A-2; A-23	\$ 10,556,240
Regional district school tax	A-2; A-24	5,031,286
County tax		\$ 2,550,524
County library tax		250,455
County open space tax		243,589
County share of added and omitted taxes		<u>16,134</u>
Total county taxes	A-2; A-25	3,060,702
Municipal purpose tax	A-2	1,193,600
Additional tax levied		<u>94,048</u>
Total municipal purpose tax		<u>1,287,648</u>
Total	A-9	<u>\$ 19,935,876</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Tax Title Liens Receivable

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 107,143
Increased by		
Transferred from taxes receivable	A-9	<u>7,895</u>
Balance - December 31, 2023	A	<u><u>\$ 115,038</u></u>

A-11

TOWNSHIP OF HOLLAND
Schedule of Property Acquired for Taxes - Assessed Valuation

	<u>Ref.</u>	
Balance - December 31, 2022	A	<u>\$ 5,700</u>
Balance - December 31, 2023	A	<u><u>\$ 5,700</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Revenue Accounts Receivable

	<u>Ref.</u>	<u>Balance 12/31/22</u>	<u>Accrued in 2023</u>	<u>Collected Treasurer</u>	<u>Balance 12/31/23</u>
Alcoholic beverage licenses	A-2	\$ -	\$ 5,376	\$ 5,376	\$ -
Municipal court	A-2	1,324	52,294	48,511	5,107
Riegel Ridge Community Center fees	A-2	-	551,918	551,918	-
Swimming pool fees	A-2	-	100,611	100,611	-
Snack bar fees	A-2	-	26,246	26,246	-
Energy receipts tax	A-2	-	2,708,073	2,708,073	-
Garden State trust fund	A-2	-	21,453	21,453	-
		<u>\$ 1,324</u>	<u>\$ 3,465,971</u>	<u>\$ 3,462,188</u>	<u>\$ 5,107</u>
	<u>Ref.</u>	A	Reserve	A-4	A

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Due from General Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2022	A		\$ -
Increased by			
Disbursements	A-4		<u>653,000</u>
			653,000
Decreased by			
Current year budget appropriations	A-3	\$ 500,000	
Receipts	A-4	<u>153,000</u>	
			<u>653,000</u>
Balance - December 31, 2023	A		<u><u>\$ -</u></u>

A-14

TOWNSHIP OF HOLLAND
Schedule of Due from Other Trust Funds

	<u>Ref.</u>		
Balance - December 31, 2022	A		\$ 68,923
Increased by			
Interest on investments	A-2	\$ 802	
Disbursements	A-4	9,273	
Payroll Disbursements	A-4	<u>2,319,238</u>	
			<u>2,329,313</u>
			2,398,236
Decreased by			
Receipts	A-4	1,572	
Charges to current fund appropriation reserves	A-18	9,273	
Current year payroll budget appropriations	A-3	2,375,470	
Prior year appropriation reserve charges	A-18	<u>10,449</u>	
			<u>2,396,764</u>
Balance - December 31, 2023	A; A-2		<u><u>\$ 1,472</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Due to Animal Control Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ -
Increased by		
Current year budget appropriations	A-3	<u>15,000</u>
		15,000
Decreased by		
Disbursements	A-4	<u>15,000</u>
		-
Balance - December 31, 2023	A	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Deferred Charges to Future Taxation

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 4,381
Decreased by		
Appropriated in the current fund budget	A-3	<u>4,381</u>
Balance - December 31, 2023	A	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Grants Receivable

Grant	Balance 12/31/22	Revenue in 2023	Received	Adjustment	Balance 12/31/23
Highlands grant	\$ 100,839	\$ -	\$ -	\$ -	\$ 100,839
NJ Highlands water protection and planning council	18,952	-	-	-	18,952
Highlands grant	5,122	-	-	-	5,122
Highlands grant task 13	5,000	-	-	-	5,000
Body worn cameras	24,456	-	-	-	24,456
Economic Development	1,698	-	194	-	1,504
Clean communities	-	20,215	20,215	-	-
Recycling tonnage grant	-	4,232	4,232	-	-
Body Armor grant	-	983	983	-	-
Emergency management grant	-	10,000	10,000	-	-
Stormwater management	-	25,000	25,000	-	-
	<u>\$ 156,067</u>	<u>\$ 60,430</u>	<u>\$ 60,624</u>	<u>\$ -</u>	<u>\$ 155,873</u>
<u>Ref.</u>	A	A-2	Below		A
Due from current fund	A-35		\$ 194		
Receipts	A-37		59,447		
Unappropriated reserve balance	A-37		983		
			<u>\$ 60,624</u>		

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves
For the Year Ended December 31, 2023

	Balance 12/31/22	Balance After Transfer	Expended	Balance Lapsed
Mayor and council				
Other expenses	\$ 238	\$ 238	\$ -	\$ 238
Municipal clerk				
Salaries and wages	951	951	-	951
Miscellaneous other expenses	14,831	14,765	2,258	12,507
Financial administration				
Salaries and wages	1,463	1,463	853	610
Other expenses	2,243	2,273	569	1,704
Audit services	4,765	4,765	-	4,765
IT other expenses	4,312	4,312	203	4,109
Assessment of taxes				
Salaries and wages	349	349	-	349
Other expenses	1,373	1,373	-	1,373
Collection of taxes				
Salaries and wages	2,631	2,631	-	2,631
Other expenses	3,927	4,232	329	3,903
Legal services and costs				
Other expenses	9,709	9,709	5,052	4,657
Engineering service and costs				
Other expenses	11,115	11,115	1,691	9,424
Public building and grounds				
Other expenses	1,335	1,992	1,726	266
Planning board				
Salaries and wages	355	355	-	355
Other expenses	23,036	23,066	227	22,839
Zoning officer				
Salaries and wages	220	220	-	220
Other expenses	1,690	1,690	9	1,681

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves (continued)
For the Year Ended December 31, 2023

	Balance 12/31/22	Balance After Transfer	Expended	Balance Lapsed
Fire				
Other expenses	\$ 2,285	\$ 4,606	\$ 4,543	\$ 63
Police				
Salaries and wages	8,250	8,250	2,156	6,094
Other expenses	7,636	10,426	4,554	5,872
Office of emergency management				
Other expenses	114	114	83	31
Road repair and maintenance				
Salaries and wages	10,496	10,496	1,555	8,941
Other expenses	9,249	9,265	3,567	5,698
Snow removal				
Other expenses	16,913	18,394	18,394	-
Recycling				
Salaries and wages	4,673	4,673	662	4,011
Other expenses	6,760	6,760	2,671	4,089
Board of health				
Salaries and wages	510	510	-	510
Other expenses	1,200	1,200	-	1,200
Environmental health services				
Other expenses	200	200	-	200
Recreation committee				
Salaries and wages	420	420	-	420
Other expenses	4,169	4,169	121	4,048
Riegel Ridge Community Center				
Salaries and wages	5,879	5,879	4,294	1,585
Other expenses	11,162	12,246	7,672	4,574
Swimming pool				
Salaries and wages	11	11	-	11
Other expenses	2,080	3,970	1,929	2,041
Snack bar				
Other expenses	1,077	1,282	-	1,282
Historical preservation commission				
Salaries and wages	470	470	-	470
Other expenses	1,358	3,358	1,822	1,536

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves (continued)
For the Year Ended December 31, 2023

	Balance 12/31/22	Balance After Transfer	Expended	Balance Lapsed
Agricultural advisory committee				
Salaries and wages	\$ 650	\$ 650	\$ -	\$ 650
Other expenses	9,660	9,660	1,065	8,595
Insurance				
Other insurance premiums	846	846	-	846
Worker's compensation insurance	345	345	-	345
Employee group health	21,823	21,823	4,526	17,297
Unclassified				
Utilities				
Electricity	13,846	13,846	1,155	12,691
Street lighting	3,298	3,298	2,059	1,239
Telephone	7,037	7,037	-	7,037
Fuel oil	3,275	3,275	2,450	825
Gasoline and diesel fuel	2,965	6,122	3,820	2,302
Natural gas	433	2,633	1,934	699
Trash removal dumpster	2,130	2,130	1,140	990
Contribution to				
Public employees retirement system	988	988	-	988
Police & firemen's retirement system	446	446	-	446
DCRP contribution	1,368	1,368	-	1,368
Unemployment insurance	571	571	437	134
	<u>\$ 249,136</u>	<u>\$ 267,236</u>	<u>\$ 85,526</u>	<u>\$ 181,710</u>
	<u>Ref.</u>	A	Below	Below
		A	Below	A-1
Appropriation reserves	A	\$ 249,136		
Encumbrances payable	A-19	18,100		
Total balance after transfer		<u>\$ 267,236</u>		
Cash disbursed	A-4		\$ 66,733	
Cash received	A-4		(929)	
Transfer to snow removal trust	A-14		9,273	
Payroll charges	A-14		10,449	
Total expended			<u>\$ 85,526</u>	

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances
Current Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 18,100
Increased by		
2023 budget charges	A-3	35,251
		<u>53,351</u>
Decreased by		
Applied to appropriation reserves	A-18	18,100
		<u>18,100</u>
Balance - December 31, 2023	A	<u><u>\$ 35,251</u></u>
		A-20

TOWNSHIP OF HOLLAND
Schedule of Due to State of New Jersey
Veteran's and Senior Citizen's Deductions

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 2,784
Increased by		
Receipts	A-4	47,027
		<u>49,811</u>
Decreased by		
Veteran's deductions per tax billings		\$ 40,750
Veteran's deductions allowed by tax collector		250
Prior year veteran's deductions allowed by tax collector	A-2	250
Senior Citizen's deductions per tax billings		6,500
		<u>47,750</u>
Less: Veteran's & Senior Citizen's deductions disallowed by collector		<u>(973)</u>
	A-9	<u>46,777</u>
Balance - December 31, 2023	A	<u><u>\$ 3,034</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Prepaid Taxes

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 43,381
Increased by		
Collection of 2024 taxes	A-6	100,532
		<u>143,913</u>
Decreased by		
Applied to 2023 taxes receivable	A-9	43,381
		<u>43,381</u>
Balance - December 31, 2023	A	<u><u>\$ 100,532</u></u>

A-22

TOWNSHIP OF HOLLAND
Schedule of Tax Overpayments

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 71,791
Increased by		
Receipts	A-6	24,035
		<u>95,826</u>
Decreased by		
Refunded	A-4	\$ 30,116
Overpayments applied	A-9	62,118
		<u>92,234</u>
Balance - December 31, 2023	A	<u><u>\$ 3,592</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Local School Tax Payable

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 5,174,628
Increased by		
Levy - School year July 1, 2023 to June 30, 2024	A-9	<u>10,556,240</u> 15,730,868
Decreased by		
Disbursements	A-4	<u>10,452,748</u>
Balance - December 31, 2023	A	<u><u>\$ 5,278,120</u></u>
2023 Liability for local school tax		
Tax paid		\$ 10,452,748
Add: tax payable December 31, 2023		<u>5,278,120</u> 15,730,868
Less: tax payable December 31, 2022		<u>5,174,628</u>
Amount charged to operations	A-1	<u><u>\$ 10,556,240</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Regional High School Tax Payable

	<u>Ref.</u>	
Balance - December 31, 2022		
School tax payable	A	\$ 2,477,778
Increased by		
Levy - School year July 1, 2023 to June 30, 2024	A-9	5,031,286
		<u>7,509,064</u>
Decreased by		
Disbursements	A-4	4,993,423
		<u>4,993,423</u>
Balance - December 31, 2023	A	<u>\$ 2,515,641</u>
2023 liability for Regional High School tax		
Tax paid		\$ 4,993,423
Add: tax payable December 31, 2023		2,515,641
		<u>7,509,064</u>
Less: tax payable December 31, 2022		2,477,778
Amount charged to operations	A-1	<u>\$ 5,031,286</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of County Taxes Payable

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 9,556
Increased by		
2023 levy		
County taxes		\$ 2,550,524
County library tax		250,455
County open space tax		243,589
County share of added and omitted taxes		<u>16,134</u>
	A-1;A-9	<u>3,060,702</u>
		<u>3,070,258</u>
Decreased by		
Disbursements	A-4	<u>3,054,124</u>
Balance - December 31, 2023	A	<u><u>\$ 16,134</u></u>

A-26

TOWNSHIP OF HOLLAND
Schedule of Due to Outside Agencies

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 300
Increase by		
Receipts	A-4	<u>175</u>
		475
Decreased by		
Disbursements	A-4	<u>200</u>
Balance - December 31, 2023	A	<u><u>\$ 275</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Due to Outside Lienholders

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 972
Increased by		
Receipts	A-6	31,011
		<u>31,983</u>
Decreased by		
Disbursements	A-4	30,588
		<u>30,588</u>
Balance - December 31, 2023	A	<u><u>\$ 1,395</u></u>

TOWNSHIP OF HOLLAND
Schedule of Due to Federal and State Grant Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 983
Increased by		
Current fund appropriations activity	A-3	\$ 4,710
Receipts	A-4	1,639
		<u>6,349</u>
		<u>7,332</u>
Decreased by		
Interest on investments	A-2	369
Disbursements	A-4	983
		<u>1,352</u>
Balance - December 31, 2023	A	<u><u>\$ 5,980</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Due to Sewer Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 4,715
Decreased by		
Disbursements	A-6	<u>4,715</u>
Balance - December 31, 2023	A	<u><u>\$ -</u></u>

A-30

TOWNSHIP OF HOLLAND
Schedule of Reserve for First Aid Squad

	<u>Ref.</u>	
Balance - December 31, 2022	A	<u>\$ 23,305</u>
Balance - December 31, 2023	A	<u><u>\$ 23,305</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Veteran's Day Celebration

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ <u>200</u>
Balance - December 31, 2023	A	\$ <u><u>200</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Municipal Relief Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 140,294
Increased by Receipts	A-4	<u>280,529</u> 420,823
Decreased by Anticipated as a revenue in the current fund budget	A-2	<u>140,294</u>
Balance - December 31, 2023	A	\$ <u><u>280,529</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Garden State Trust

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ -
Increased by Receipts	A-4	<u>4,965</u>
Balance - December 31, 2023	A	<u><u>\$ 4,965</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Sales Tax Payable

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ -
Increased by		
Receipts	A-4	1,837
		<u>1,837</u>
Decreased by		
Disbursements	A-4	1,837
		<u>1,837</u>
Balance - December 31, 2023	A	<u><u>\$ -</u></u>

A-35

TOWNSHIP OF HOLLAND
Schedule of Due from Current Fund

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 983
Increased by		
Disbursements	A-4	\$ 369
Grant receivable activity in the current fund	A-17	194
Appropriated reserve activity in the current fund	A-36	4,710
Unappropriated reserve activity in the current fund	A-37	1,076
		<u>6,349</u>
		7,332
Decreased by		
Receipts	A-4	1,352
		<u>1,352</u>
Balance - December 31, 2023	A	<u><u>\$ 5,980</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Appropriated Reserves for Grants

Grant	Balance 12/31/22	Transferred from 2023 Budget	Paid or Charged	Adjustment	Balance 12/31/23
State Grants					
Recycling tonnage grant - 2023	\$ -	\$ 4,232	\$ 4,232	\$ -	\$ -
Body armor grant - 2023	-	983	983	-	-
Body worn cameras - 2022	22,189	-	1,926	-	20,263
Clean communities program - 2022	8,138	-	7,933	-	205
Clean communities program - 2023	-	20,215	3,537	-	16,678
Economic development	1,505	-	680	-	825
Stormwater management	-	25,000	-	-	25,000
Highlands grant second - 2011	88,105	-	4,272	-	83,833
Highlands grant special - 2015	18,484	-	-	-	18,484
Highlands grant special - 2019	5,122	-	-	-	5,122
Highlands grant task 13	758	-	-	-	758
Local grants					
Holland Township Park					
Association Park Development	10,000	-	-	-	10,000
Hunterdon County emergency management 2013 EMAA - 2016	888	-	888	-	-
Hunterdon County emergency management grant	5,000	-	5,000	-	-
Hunterdon County emergency management grant	-	10,000	1,499	-	8,501
	<u>\$ 160,189</u>	<u>\$ 60,430</u>	<u>\$ 30,950</u>	<u>\$ -</u>	<u>\$ 189,669</u>
<u>Ref.</u>	A	A-3	Below		A
Disbursements	A-4		\$ 35,660		
Due from current fund	A-35		(4,710)		
			<u>\$ 30,950</u>		

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Schedule of Unappropriated Reserves for Grants

	<u>Ref.</u>	
Balance - December 31, 2022	A; A-17	\$ 983
Increased by		
Receipts		
Appropriated reserves	A-4; A-17	\$ 59,447
Unappropriated reserves	A-4	61,000
Grant proceeds received in current fund	A-35	<u>1,076</u>
		<u>121,523</u>
		122,506
Decreased by		
Appropriated in the 2023 budget	A-2; A-36	<u>60,430</u>
Balance - December 31, 2023	A	<u><u>\$ 62,076</u></u>
Analysis of balance		
Body armor grant		\$ 1,076
Grandstand municipal grant		30,000
Gymnasium municipal grant		<u>31,000</u>
		<u><u>\$ 62,076</u></u>

A-38

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances (Grant Fund)

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 975
Decreased by		
Disbursements	A-4	<u>975</u>
Balance - December 31, 2023	A	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

TRUST FUND

TOWNSHIP OF HOLLAND
Schedule of Trust Fund Cash - Treasurer

	Ref.	Animal Control Funds	Other Trust Funds
Balance - December 31, 2022	B	\$ 8,678	\$ 894,959
Increased by receipts			
Animal control fund	B-3	\$ 22,412	\$ -
Due to State of New Jersey	B-5	983	-
Due to current fund	B-6	-	802
Reserve for escrow funds	B-8	-	121,021
Reserve for small cities revolving loan	B-9	-	28,299
Reserve for recreation and community services	B-10	-	254
Reserve for development fees	B-11	-	9,314
Reserve for tax sale premiums	B-12	-	3,500
Reserve for snow removal	B-13	-	9,273
Reserve for payroll account	B-14	-	2,749,599
Reserve for future legal expenses	B-15	-	70
Reserve for performance bond	B-16	-	250
Reserve for 150th anniversary celebration	B-18	-	12,000
Reserve for firefighter equipment	B-19	-	250
		<u>23,395</u>	<u>2,934,632</u>
		32,073	3,829,591
Decreased by disbursements			
Animal control fund	B-3	19,744	-
Reserve for encumbrances	B-4	116	-
Due to State of New Jersey	B-5	1,021	-
Due to current fund	B-6	-	68,253
Reserve for escrow funds	B-8	-	116,644
Reserve for recreation and community services	B-10	-	7,743
Reserve for development fees	B-11	-	16
Reserve for tax sale premiums	B-12	-	13,700
Reserve for payroll	B-14	-	2,764,018
Reserve encumbrances	B-20	-	2,746
		<u>20,881</u>	<u>2,973,120</u>
Balance - December 31, 2023	B;B-2	<u>\$ 11,192</u>	<u>\$ 856,471</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Trust Fund Cash and Reconciliation
Per N.J.S.A. 40A:5-5 - Treasurer

	Ref.	Animal Control Funds	Other Trust Funds
Balance - December 31, 2023	B-1	\$ 11,192	\$ 856,471
Increased by			
Receipts		7,647	1,119,799
		18,839	1,976,270
Decreased by			
Disbursements		9,412	1,102,748
Balance - April 30, 2024		\$ 9,427	\$ 873,522
Cash reconciliation - April 30, 2024			
Balance per statement			
Northfield Bank		\$ 9,155	\$ 875,530
Add: deposits in transit		272	500
		9,427	876,030
Less: outstanding checks		-	2,508
		\$ 9,427	\$ 873,522

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Animal Control Fund Expenditures

	<u>Ref.</u>		
Balance - December 31, 2022	B		\$ 8,013
Increased by			
Animal control fees		\$ 7,412	
Current fund budget appropriation		<u>15,000</u>	
	B-1		<u>22,412</u>
			30,425
Decreased by			
Expenditures under RS 4:119.15	B-1		<u>19,744</u>
Balance - December 31, 2023	B		<u><u>\$ 10,681</u></u>
Animal control collections			
2021			\$ 7,850
2022			7,504
Maximum allowable reserve			<u><u>\$ 15,354</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances
Animal Control Fund

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 553
Decreased by Disbursements	B-1	<u>116</u>
Balance - December 31, 2023	B	<u><u>\$ 437</u></u>

TOWNSHIP OF HOLLAND
Schedule of Due to State of New Jersey

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 112
Increased by State fees collected	B-1	<u>983</u> 1,095
Decreased by Disbursements	B-1	<u>1,021</u>
Balance - December 31, 2023	B	<u><u>\$ 74</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to Current Fund
Other Trust Funds

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 68,923
Increased by		
Receipts	B-1	802
		<u>69,725</u>
Decreased by		
Disbursements	B-1	68,253
		<u>68,253</u>
Balance - December 31, 2023	B	<u>\$ 1,472</u>
		<u>12/31/23</u>
Analysis of balance		<u>12/31/22</u>
Due to		
Escrow funds		\$ 901
Payroll		\$ 1,670
		571
		<u>67,253</u>
		<u>\$ 1,472</u>
		<u>\$ 68,923</u>

B-7

TOWNSHIP OF HOLLAND
Schedule of Small Cities Revolving Loans Receivable

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 246,684
Decreased by		
Loans discharged	B-9	25,952
		<u>25,952</u>
Balance - December 31, 2023	B	<u>\$ 220,732</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Escrow Funds

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 247,937
Increased by		
Receipts	B-1	<u>121,021</u> 368,958
Decreased by		
Disbursements	B-1	<u>116,644</u>
Balance - December 31, 2023	B	<u><u>\$ 252,314</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Small Cities Revolving Loan

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 464,236
Increased by		
Receipts	B-1	<u>28,299</u> 492,535
Decreased by		
Loans discharged	B-7	<u>25,952</u>
Balance - December 31, 2023	B	<u><u>\$ 466,583</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Recreation and Community Services

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 7,773
Increased by		
Receipts	B-1	<u>254</u> 8,027
Decreased by		
Disbursements	B-1	<u>7,743</u>
Balance - December 31, 2023	B	<u><u>\$ 284</u></u>

B-11

TOWNSHIP OF HOLLAND
Schedule of Reserve for Development Fees

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 64,644
Increased by		
Receipts	B-1	<u>9,314</u> 73,958
Decreased by		
Disbursements	B-1	<u>16</u>
Balance - December 31, 2023	B	<u><u>\$ 73,942</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Tax Sale Premiums

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 82,100
Increased by		
Receipts	B-1	<u>3,500</u> 85,600
Decreased by		
Disbursements	B-1	<u>13,700</u>
Balance - December 31, 2023	B	<u><u>\$ 71,900</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Snow Removal

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 100,692
Increased by		
Receipts	B-1	<u>9,273</u>
Balance - December 31, 2023	B	<u><u>\$ 109,965</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Payroll Account

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 14,745
Increased by		
Receipts	B-1	<u>2,749,599</u> 2,764,344
Decreased by		
Disbursements	B-1	<u>2,764,018</u>
Balance - December 31, 2023	B	<u><u>\$ 326</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Future Legal Expenses

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 15,149
Increased by		
Receipts	B-1	<u>70</u>
Balance - December 31, 2023	B	<u><u>\$ 15,219</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Performance Bond

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 72,690
Increased by Receipts	B-1	<u>250</u>
Balance - December 31, 2023	B	<u><u>\$ 72,940</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for POAA

	<u>Ref.</u>	
Balance - December 31, 2022	B	<u>\$ 8</u>
Balance - December 31, 2023	B	<u><u>\$ 8</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for 150th Anniversary Celebration

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ -
Increased by Receipts	B-1	<u>12,000</u>
Balance - December 31, 2023	B	<u><u>\$ 12,000</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Firefighter Equipment

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ -
Increased by Receipts	B-1	<u>250</u>
Balance - December 31, 2023	B	<u><u>\$ 250</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances
Other Trust Funds

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 2,746
Decreased by Disbursements	B-1	<u>2,746</u>
Balance - December 31, 2023	B	<u><u>\$ -</u></u>

See independent auditors' report.

GENERAL CAPITAL FUND

TOWNSHIP OF HOLLAND
Schedule of General Capital Fund Cash - Treasurer

	<u>Ref.</u>		
Balance - December 31, 2022	C		\$ 1,886,224
Increased by receipts			
Due from current fund	C-5	\$ 500,000	
NJ Department of Transportation grants receivable	C-6	<u>265,500</u>	
	C-4		<u>765,500</u>
			<u>2,651,724</u>
Decreased by disbursements			
Due from clearing account	C-4; C-7		<u>423,777</u>
Balance - December 31, 2023	C; C-3		<u><u>\$ 2,227,947</u></u>

C-3

TOWNSHIP OF HOLLAND
Schedule of General Capital Fund Cash and Reconciliation
Treasurer Per N.J.S.A. 40A:5-5

	<u>Ref.</u>		
Balance - December 31, 2023	C-2		\$ 2,227,947
Increased by			
Receipts			<u>-</u>
			<u>2,227,947</u>
Decreased by			
Disbursements			<u>69,652</u>
Balance - April 30, 2024			<u><u>\$ 2,158,295</u></u>
Cash reconciliation - April 30, 2024			
Balance per statement			
Northfield Bank		\$ 2,156,893	
Plus: deposit in transit		<u>1,402</u>	
Book balance			<u><u>\$ 2,158,295</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash Activity

Description	Balance	Receipts	Disbursements	Transfers	Balance
	12/31/22			(From) To	12/31/23
Fund balance	\$ 13,673	\$ -	\$ -	\$ (4,894)	\$ 8,779
Capital improvement fund	101,145	-	-	253,088	354,233
Due to current fund	-	500,000	-	(500,000)	-
Due to clearing account	-	-	423,777	423,777	-
Encumbrances payable	68,390	-	-	54,020	122,410
Reserve for capital projects	586,585	-	-	(70,477)	516,108
Reserve for preliminary plan expenses	-	-	-	2,480	2,480
Improvement authorizations					
Purchase of land for preservation	279,248	-	-	(1,291)	277,957
Acquisition of fire equipment	5,127	-	-	(5,127)	-
Acquisition of public works equipment	9,636	-	-	(9,636)	-
Acquisition of RRCC equipment	4,072	-	-	-	4,072
Acquisition of police equipment	1,699	-	-	4,115	5,814
Building improvements/DPW/library	11,244	-	-	(11,244)	-
Mt Joy phase II road improvements	58,188	153,000	-	(211,188)	-
Various road improvements	14,473	-	-	-	14,473
Purchase of open space	97,280	-	-	-	97,280
Purchase of Milford-Warren Glen	7,587	-	-	(7,587)	-
Police equipment	18,314	-	-	(8,473)	9,841
RRCC roof	98,498	-	-	(98,498)	-
Building improvements	101,164	-	-	(46,625)	54,539
Church Road improvements	4,773	-	-	(4,773)	-
Road improvements	166,475	-	-	(166,475)	-
Spring Garden Road improvements	238,653	112,500	-	(215,751)	135,402
Road improvements	-	-	-	50,746	50,746
Road improvements	-	-	-	273,813	273,813
Improvements to Milford-Warren Glen	-	-	-	300,000	300,000
Total	\$ 1,886,224	\$ 765,500	\$ 423,777	\$ -	\$ 2,227,947
<u>Ref.</u>	C	C-2	C-2		C

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to Current Fund

	<u>Ref.</u>	
Balance - December 31, 2022	C	\$ -
Increased by		
Receipts	C-2	<u>500,000</u>
		500,000
Decreased by		
2023 municipal budget appropriations		
Purchase of an ambulance		\$ 15,000
Purchase of a fire truck		50,000
RRCC equipment		10,000
Improvement to 802 Milford-Warren Glen		300,000
Road improvements		<u>125,000</u>
	C-12	<u>500,000</u>
Balance - December 31, 2023	C	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
Schedule of NJ Department of Transportation Grants Receivable

	<u>Ref.</u>	
Balance - December 31, 2022	C	\$ -
Increased by		
Allotted in 2023	C-9	<u>265,500</u>
		265,500
Decreased by		
Receipts	C-2	<u>265,500</u>
Balance - December 31, 2023	C	<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due from Clearing Account

	<u>Ref.</u>		
Balance - December 31, 2022	C		\$ -
Increased by			
Disbursements	C-2		<u>423,777</u>
			423,777
Decreased by			
Preliminary plan expense charges	C-8	\$ 44,400	
Improvement authorization charges	C-9	336,644	
Encumbrances payable	C-10	<u>42,733</u>	
			<u>423,777</u>
Balance - December 31, 2023	C		<u><u>\$ -</u></u>

C-8

TOWNSHIP OF HOLLAND
Schedule of Reserve for Preliminary Plan Expenses

	<u>Ref.</u>		
Balance - December 31, 2022	C		\$ -
Increased by			
Transfer from capital improvement fund	C-11		<u>109,000</u>
			109,000
Decreased by			
Due to clearing account	C-7	\$ 44,400	
Encumbrances payable	C-10	<u>62,120</u>	
			<u>106,520</u>
Balance - December 31, 2023	C		<u><u>\$ 2,480</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Improvement Authorizations

Improvement Description	Ordinance		Balance	2023	Paid or	Adjustments	Unexpended	Balance
	Date	Amount	12/31/22 Funded	Authorization	Charged		Balance Canceled	12/31/23 Funded
Purchase of land for preservation	01/02/18	\$ 439,877	\$ 279,248	\$ -	\$ 1,291	\$ -	\$ -	\$ 277,957
Acquisition of fire equipment	03/17/20	50,000	5,127	-	-	-	5,127	-
Acquisition of public works equipment	03/17/20	125,000	9,636	-	-	-	9,636	-
Acquisition of RRCC equipment	04/21/20	50,000	4,072	-	-	-	-	4,072
Police equipment	04/20/21	60,000	1,699	-	599	4,714	-	5,814
Building improvements/DPW/library	08/17/21	200,000	11,244	-	425	133,392	144,211	-
Mt Joy phase II road improvements	04/20/21	230,000	58,188	-	-	153,000	211,188	-
Various road improvements	04/20/21	150,000	14,473	-	-	-	-	14,473
Purchase of open space	05/17/22	500,000	97,280	-	-	-	-	97,280
Purchase of Milford-Warren Glen	10/04/22	300,000	7,587	-	899	-	6,688	-
Police equipment	04/05/22	35,000	18,314	-	9,126	653	-	9,841
RRCC roof	04/05/22	230,000	98,498	-	1,681	-	96,817	-
Building improvements	04/05/22	150,000	101,164	-	46,625	-	-	54,539
Church Road improvements	04/05/22	275,000	4,773	-	692	191,025	195,106	-
Road improvements	04/05/22	250,000	166,475	-	24,114	75,897	218,258	-
Spring Garden Road improvements	04/05/22	250,000	238,653	-	215,751	112,500	-	135,402
Road improvements	05/05/23	125,000	-	125,000	74,254	-	-	50,746
Road improvements	06/20/23	275,000	-	275,000	1,187	-	-	273,813
Improvements to Milford-Warren Glen	11/08/23	300,000	-	300,000	-	-	-	300,000
			<u>\$ 1,116,431</u>	<u>\$ 700,000</u>	<u>\$ 376,644</u>	<u>\$ 671,181</u>	<u>\$ 887,031</u>	<u>\$ 1,223,937</u>
	<u>Ref.</u>		C	Below	Below	Below	Below	C
Summary of 2023 authorizations								
General capital fund balance		C-1		\$ 200,000				
Reserve for capital projects		C-12		500,000				
Authorizations				<u>\$ 700,000</u>				
Summary of paid or charged								
Clearing account		C-7			\$ 336,644			
Encumbrances payable		C-10			40,000			
Paid or charged					<u>\$ 376,644</u>			
Summary of adjustments								
Prior year encumbrances canceled		C-10				\$ 5,367		
Eligible projects funded by								
NJ Department of								
Transportation grants		C-6				265,500		
Reserve for American								
Rescue Plan		C-12				400,314		
Adjustments						<u>\$ 671,181</u>		
Summary of balance canceled								
Capital fund balance		C-1				\$ 195,106		
Capital improvement fund		C-11				362,088		
Reserve for capital projects		C-12				329,837		
Balance canceled						<u>\$ 887,031</u>		

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances

	<u>Ref.</u>		
Balance - December 31, 2022	<u>C</u>		\$ 68,390
Increased by			
Current year capital charges			
Preliminary plan expenses	C-8	\$ 62,120	
Improvement authorizations	C-9	<u>40,000</u>	
			<u>102,120</u>
			170,510
Decreased by			
Due to clearing account	C-7	42,733	
Prior year encumbrance balances canceled	C-9	<u>5,367</u>	
			<u>48,100</u>
Balance - December 31, 2023	C		<u><u>\$ 122,410</u></u>

C-11

TOWNSHIP OF HOLLAND
Schedule of Capital Improvement Fund

	<u>Ref.</u>		
Balance - December 31, 2022	<u>C</u>		\$ 101,145
Increased by			
Improvement authorization balances canceled	C-9		<u>362,088</u>
			463,233
Decreased by			
Appropriated to finance preliminary plan expenses	C-8		<u>109,000</u>
Balance - December 31, 2023	C		<u><u>\$ 354,233</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Capital Projects

Improvement Description	Balance 12/31/22	Increased in 2023	Decreased in 2023	Balance 12/31/23
Park construction	\$ 32,138	\$ -	\$ -	\$ 32,138
Community center parking lot	200	-	-	200
Purchase of an ambulance	39,301	15,000	-	54,301
Purchase of a fire truck	152,194	50,000	-	202,194
Building improvements	13,017	-	-	13,017
Farmland	46,238	-	-	46,238
American rescue plan	303,497	96,817	400,314	-
Fire equipment	-	5,127	-	5,127
RRCC equipment	-	10,000	-	10,000
Public works equipment	-	9,636	-	9,636
Road improvements	-	343,257	200,000	143,257
Improvement to 802 MWG	-	300,000	300,000	-
	<u>\$ 586,585</u>	<u>\$ 829,837</u>	<u>\$ 900,314</u>	<u>\$ 516,108</u>
<u>Ref.</u>	C	Below	Below	C
Due from current fund	C-5	\$ 500,000		
Improvement authorizations canceled	C-9	<u>329,837</u>		
Total		<u>\$ 829,837</u>		
Appropriated to finance improvement authorizations	C-9		\$ 500,000	
Grant proceeds applied to costs for eligible projects	C-9		<u>400,314</u>	
Total			<u>\$ 900,314</u>	

See independent auditors' report.

SEWER UTILITY FUND

TOWNSHIP OF HOLLAND
Schedule of Cash - Treasurer
Sewer Utility Fund

	Ref.	Operating Fund	Capital Fund
Balance - December 31, 2022	D	\$ 372,449	\$ 336,725
Increased by receipts			
Interest on deposits	D-3	\$ 3,661	\$ -
Sewer collector	D-7	560,000	-
Due from sewer capital fund	D-11	3,166	-
Due to sewer operating fund	D-18	-	137,166
Total receipts		<u>566,827</u>	<u>137,166</u>
		939,276	473,891
Decreased by disbursements			
Budget appropriations	D-4	312,789	-
Due from payroll account	D-9	5,383	-
Due from sewer capital	D-11	134,000	-
Appropriation reserves	D-14	84,641	-
Due to sewer operating fund	D-18	-	3,166
Improvement authorizations	D-19	-	15,867
Total disbursements		<u>536,813</u>	<u>19,033</u>
Balance - December 31, 2023	D; D-6	<u>\$ 402,463</u>	<u>\$ 454,858</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash and Reconciliation
Treasurer Per N.J.S.A. 40A:5-5
Sewer Utility Fund

	Ref.	Operating Fund	Capital Fund
Balance - December 31, 2023	D-5	\$ 402,463	\$ 454,858
Increased by			
Receipts		206,762	-
		609,225	454,858
Decreased by			
Disbursements		228,802	6,025
Balance - April 30, 2024		\$ 380,423	\$ 448,833
Cash Reconciliation - April 30, 2024			
Balance per statement Northfield Bank		\$ 380,423	\$ 448,833

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash - Collector
Sewer Utility Fund

	Ref.	Operating Fund
Balance - December 31, 2022	D	\$ 24,470
Increased by receipts		
Interest and costs on sewer charges	D-3	\$ 1,722
Interest on deposits	D-3	936
Consumer accounts receivable	D-10	537,155
Prepaid rents received	D-16	1,828
Due from current	D-17	4,715
Total receipts		546,356
		570,826
Decreased by		
Paid to sewer treasurer	D-5	560,000
Balance - December 31, 2023	D; D-8	\$ 10,826

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash and Reconciliation
Collector Per N.J.S.A. 40A:5-5
Sewer Utility Fund

Balance - December 31, 2023	<u>Ref.</u> D-7	\$ 10,826
Increased by Receipts		<u>225,658</u> 236,484
Decreased by Disbursements		<u>200,193</u>
Balance - April 30, 2024		<u><u>\$ 36,291</u></u>
Cash Reconciliation - April 30, 2024		
Balance per statement		
Northfield Bank		\$ 25,804
Add: deposits in transit		<u>10,487</u>
Book balance		<u><u>\$ 36,291</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due From Payroll Account
Sewer Utility Fund

	Ref.	
Balance - December 31, 2022	D	\$ -
Increased by		
Disbursements	D-5	5,383
		5,383
Decreased by		
Budget charges	D-4	5,383
		5,383
Balance - December 31, 2023	D	\$ -

D-10

TOWNSHIP OF HOLLAND
Schedule of Consumer Accounts Receivable
Sewer Utility Fund

	Ref.	
Balance - December 31, 2022	D	\$ 45,008
Increased by		
User fees levied	Reserve	563,064
		608,072
Decreased by		
Collections	D-3; D-7	\$ 537,155
Prepayments applied	D-3; D-16	1,483
Overpayments applied	D-3; D-15	5,251
		543,889
Balance - December 31, 2023	D	\$ 64,183

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due From Sewer Capital Fund
Sewer Utility Fund

Balance - December 31, 2022	<u>Ref.</u> D		\$	-
Increased by				
Disbursements	D-5	\$ 134,000		
Interest earned	D-3	<u>3,166</u>		
				<u>137,166</u>
				137,166
Decreased by				
Current year budget appropriations				
Capital improvement fund	D-4	134,000		
Receipts	D-5	<u>3,166</u>		
				<u>137,166</u>
Balance - December 31, 2023	D		<u>\$</u>	<u>-</u>

D-12

TOWNSHIP OF HOLLAND
Schedule of Fixed Capital
Sewer Capital Fund

Description	Ref.	Balance 12/31/23	Balance 12/31/22
Sanitary sewer system		\$ 989,826	\$ 989,826
Replacement of the Gridley Circle Pump Station		324,412	324,412
Sewer line improvements		<u>90,000</u>	<u>90,000</u>
Total fixed capital	D	<u>\$ 1,404,238</u>	<u>\$ 1,404,238</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Fixed Capital Authorized and Uncompleted
Sewer Capital Fund
For the Year Ended December 31, 2023

Purpose	Ordinance		Balance	Authorizations	Decreased	Balance
	Date	Amount	12/31/22			12/31/23
Improvement and repairs to the sewer lines	03/17/20	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ 60,000
Improvements to the sewer lines	06/08/22	100,000	100,000	-	-	100,000
			<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>
		<u>Ref.</u>	D			D

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves
Sewer Operating Fund
For the Year Ended December 31, 2023

	Balance 12/31/22	Balance After Transfer	Expended	Balance Lapsed
Operating				
Salaries and wages	\$ 249	\$ 249	\$ -	\$ 249
Other expenses	10,710	10,710	6	10,704
Contribution to Milford Sewer	126,559	126,559	84,635	41,924
Statutory expenditures				
Contribution to Social Security system	637	637	-	637
	<u>\$ 138,155</u>	<u>\$ 138,155</u>	<u>\$ 84,641</u>	<u>\$ 53,514</u>
<u>Ref.</u>	D	D	D-5	D-1

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Sewer Rent Overpayments
Sewer Operating Fund

Balance - December 31, 2022	<u>Ref.</u> D	\$ 5,251
Decreased by Overpayments applied	D-10	<u>5,251</u>
Balance - December 31, 2023	D	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
Schedule of Prepaid Sewer Rents
Sewer Operating Fund

Balance - December 31, 2022	<u>Ref.</u> D	\$ 1,483
Increased by Prepayments received	D-7	<u>1,828</u> 3,311
Decreased by Applied to consumer accounts receivable	D-10	<u>1,483</u>
Balance - December 31, 2023	D	<u><u>\$ 1,828</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due from Current Fund
Sewer Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2022	D	\$ 4,715
Decreased by		
Receipts	D-7	<u>4,715</u>
Balance - December 31, 2023	D	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
Schedule of Due to Sewer Operating Fund
Sewer Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2022	D		\$ -
Increased by			
Due from sewer operating fund		\$ 134,000	
Interest earned		<u>3,166</u>	
	D-5		<u>137,166</u>
			137,166
Decreased by			
Budget appropriation	D-20	134,000	
Disbursements	D-5	<u>3,166</u>	
			<u>137,166</u>
Balance - December 31, 2023	D		<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Improvement Authorizations
Sewer Capital Fund

Improvement Description	Ordinance		12/31/22		2023	Paid or	12/31/23	
	Date	Amount	Funded	Unfunded	Authorization	Charged	Funded	Unfunded
Improvement and repairs to the sewer lines	03/17/20	\$ 60,000	\$ 10,667	\$ -	\$ -	\$ -	\$ 10,667	\$ -
Improvements to the sewer lines	06/08/22	100,000	89,781	-	-	15,867	73,914	-
			<u>\$ 100,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,867</u>	<u>\$ 84,581</u>	<u>\$ -</u>
		<u>Ref.</u>	D	D		D-5	D	D

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Capital Improvement Fund
Sewer Capital Fund

Balance - December 31, 2022	<u>Ref.</u> D	\$ 160,545
Increased by		
Current year budget appropriation	D-18	<u>134,000</u>
Balance - December 31, 2023	D	<u><u>\$ 294,545</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Amortization
Sewer Capital Fund

Balance - December 31, 2022	<u>Ref.</u> D	<u>\$ 1,479,826</u>
Balance - December 31, 2023	D	<u><u>\$ 1,479,826</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Deferred Reserve for Amortization
Sewer Capital Fund
For the Year Ended December 31, 2023

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance 12/31/22</u>	<u>Improvements Authorized in 12/31/22</u>	<u>Current Year Budget Appropriation</u>	<u>Decreased</u>	<u>Balance 12/31/23</u>
Improvement and repairs to the sewer lines	03/17/20	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Improvement to the sewer lines	06/08/22	100,000	-	-	-	100,000
		<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>
	<u>Ref.</u>	<u>D</u>				<u>D</u>

See independent auditors' report.

**OTHER REPORTING REQUIRED
BY GOVERNMENT AUDITING STANDARDS**



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' 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**

Honorable Mayor and Members
of the Township Committee
Township of Holland
Holland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group of the Township of Holland, in the County of Hunterdon, (the Municipality) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which comprise the Township of Holland's financial statements, and have issued our report thereon dated June 21, 2024. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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 over financial reporting 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-01 that we consider a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

Response to Findings

The Municipality’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses section of the report. The Municipality’s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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 Municipality’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Laura Atwell, CPA, PSA, RMA

June 21, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

TOWNSHIP OF HOLLAND
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Grant Award Program	CFDA	Award Amount	Grant Period		Balance 12/31/22	Receipts	Expended	Balance 12/31/23	Memo
			From	To					Cumulative Expenditures
U.S. Department of Homeland Security FEMA	97.036	\$ 61,534	01/01/2021	12/31/2022	\$ -	\$ 29,635	\$ 29,635	\$ -	\$ 91,169
U.S. Department of Treasury American rescue plan 2021 allocation	21.027	266,748	Ongoing		266,748	-	266,748	-	266,748
American rescue plan 2022 allocation	21.027	266,748	Ongoing		266,748	-	266,748	-	266,748
Total federal awards					<u>\$ 533,496</u>	<u>\$ 29,635</u>	<u>\$ 563,131</u>	<u>\$ -</u>	<u>\$ 624,665</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Expenditures of State and Local Financial Assistance
For the Year Ended December 31, 2023

Grant Award Program	Project Number	Award Amount	Grant Period		Balance 12/31/22	Receipts	Expended	Adjustment	Balance 12/31/23	Memo
			From	To						Cumulative Expenditures
State financial assistance										
Clean Communities Program	765-042-4900-004	\$ 18,023	01/01/22	12/31/22	\$ 8,138	\$ -	\$ 7,933	\$ -	\$ 205	\$ 17,818
Clean Communities Program	765-042-4900-004	20,215	01/01/23	12/31/23	-	20,215	3,537	-	16,678	3,537
Recycling tonnage grant	752-042-4900-001	4,232	01/01/23	12/31/23	-	4,232	4,232	-	-	4,232
NJ body armor	066-1020-718-001	983	01/01/23	12/31/23	983	1,076	983	-	1,076	983
Body worn cameras	Not available	30,570	01/01/22	12/31/25	(2,267)	-	1,926	-	(4,193)	10,307
Highlands grant second	Not available	174,100		Ongoing	(12,734)	-	4,272	-	(17,006)	90,667
Highlands grant special	Not available	25,000		Ongoing	(468)	-	-	-	(468)	6,516
Highlands grant task 13	Not available	5,000		Ongoing	(4,242)	-	-	-	(4,242)	4,242
Economic Development grant					(193)	194	680	-	(679)	5,025
NJ DEP Stormwater Management	Not available	25,000		Ongoing	-	25,000	-	-	25,000	-
Total state financial assistance					<u>(10,783)</u>	<u>50,717</u>	<u>23,563</u>	<u>-</u>	<u>16,371</u>	<u>143,327</u>
Local financial assistance										
Hunterdon County Emergency Management 2013 EMMA	Not available	5,000		Ongoing	888	-	888	-	-	5,000
Hunterdon County Emergency Management grant	Not available	5,000		Ongoing	5,000	-	5,000	-	-	5,000
Hunterdon County Rediscover Hunterdon Communities grant	Not available	5,000		Ongoing	-	-	-	-	-	5,000
Hunterdon County Emergency Management grant	Not available	10,000		Ongoing	-	10,000	1,499	-	8,501	1,499
Total local financial assistance					<u>5,888</u>	<u>10,000</u>	<u>7,387</u>	<u>-</u>	<u>8,501</u>	<u>16,499</u>
Total state and local financial assistance					<u>\$ (4,895)</u>	<u>\$ 60,717</u>	<u>\$ 30,950</u>	<u>\$ -</u>	<u>\$ 24,872</u>	<u>\$ 159,826</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Findings and Responses

General Comments and Recommendations

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards.

Financial Statement Findings

Finding 2023-01

Criteria: The Municipality must submit all required documentation to various grantor agencies to facilitate the collection of funds for applicable projects.

Questioned costs: Not applicable.

Condition: The Municipality has received some, but not all funds for expenses incurred relating to the applicable projects.

Cause: Unknown

Effect: By not collecting the funds, the Municipality may experience cash flow shortages within the federal and state grant fund.

Recommendation: The Municipality should make a continuing effort to ensure that procedures are in place to collect the funds receivable for applicable projects.

Management response (unaudited): The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Federal Awards and State Financial Assistance Findings and Responses

There were no findings for the year ended December 31, 2023.

Status of Prior Year's Audit Findings

A review was performed on all prior year findings. Corrective action was taken on all prior year findings except for finding 2022-01 as summarized below is repeated above as finding 2023-01:

2022-01 The Municipality should ensure that procedures are in place to collect the funds receivable for applicable projects.

TOWNSHIP OF HOLLAND
Notes to the Schedules of Expenditures of Federal Awards
and State and Local Financial Assistance
For the Year Ended December 31, 2023

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State and Local Financial Assistance (the Schedules) present the activity of all Federal Awards and State and Local Financial Assistance programs of the Township of Holland, County of Hunterdon, State of New Jersey (the Municipality) for the year ended December 31, 2023.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State and Local Financial Assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3 - Relationship to the financial statements

Amounts reported in the Schedules agree with the amounts reported in the Municipality's financial reports. Expenditures from Federal Awards and State and Local Financial Assistance are reported in the Municipality's financial statements as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Current Fund	\$ 29,635	\$ -	\$ -
Grant Fund	-	23,563	7,387
General Capital Fund	533,496	-	-
Total	<u>\$ 563,131</u>	<u>\$ 23,563</u>	<u>\$ 7,387</u>

Note 4 - Indirect costs

The Municipality has elected not to utilize the 10% de minimis indirect cost rate.

OTHER INFORMATION

TOWNSHIP OF HOLLAND
Statistical Data
Comparative Schedule of Operations and Changes
in Fund Balance - Regulatory Basis
Current Fund
For the Years Ended December 31,
(Unaudited)

	2023		2022	
	Amount	%	Amount	%
<u>Revenue and other income realized</u>				
Fund balance utilized	\$ 985,409	3.93	\$ 940,000	3.77
Miscellaneous - from other than local property tax levied	4,236,233	16.91	4,614,073	18.51
Collection of delinquent taxes and tax title liens	206,261	0.83	257,412	1.03
Collection of current tax levy	<u>19,616,407</u>	<u>78.33</u>	<u>19,111,387</u>	<u>76.69</u>
Total income	<u>25,044,310</u>	<u>100.00</u>	<u>24,922,872</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget expenditures				
Municipal purposes	5,514,087	22.82	5,780,474	24.15
County taxes	3,060,702	12.67	2,780,505	11.62
Local school taxes	10,556,240	43.69	10,349,255	43.24
Regional school taxes	5,031,286	20.82	4,955,547	20.70
Other debits to income	<u>-</u>	<u>-</u>	<u>68,320</u>	<u>0.29</u>
Total expenditures	<u>24,162,315</u>	<u>100.00</u>	<u>23,934,101</u>	<u>100.00</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Comparative Schedule of Operations and Changes
in Fund Balance - Regulatory Basis (continued)
Current Fund
For the Years Ended December 31,
(Unaudited)

	2023		2022	
	Amount	%	Amount	%
Excess in revenue	\$ 881,995		\$ 988,771	
Adjustments to income and expenses before regulatory basis to fund balance				
Expenditures which are by statute deferred charges to budget of succeeding year	-		4,381	
Regulatory excess to fund balance	881,995		993,152	
<u>Fund Balance</u>				
Fund balance - January 1,	2,825,608		2,772,456	
	3,707,603		3,765,608	
Less: utilization as anticipated revenue	985,409		940,000	
Fund balance - December 31,	<u>\$ 2,722,194</u>		<u>\$ 2,825,608</u>	

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Comparative Schedule of Operations and Changes
in Fund Balance - Regulatory Basis
Sewer Operating Fund
For the Years Ended December 31,
(Unaudited)

	2023		2022	
	Amount	%	Amount	%
<u>Revenue and other income realized</u>				
Fund balance utilized	\$ 50,000	7.61	\$ 50,000	7.57
Miscellaneous - from other than sewer service charges	62,999	9.59	64,004	9.69
Collection of sewer service charges	<u>543,889</u>	<u>82.80</u>	<u>546,436</u>	<u>82.74</u>
Total income	<u>656,888</u>	<u>100.00</u>	<u>660,440</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget expenditures				
Operating	455,000	77.12	455,000	77.12
Capital improvements	134,000	22.71	134,000	22.71
Deferred charges and statutory expenditures	<u>1,000</u>	<u>0.17</u>	<u>1,000</u>	<u>0.17</u>
Total expenditures	<u>590,000</u>	<u>100.00</u>	<u>590,000</u>	<u>100.00</u>
Regulatory excess to fund balance	66,888		70,440	
<u>Fund Balance</u>				
Fund balance - January 1,	<u>256,745</u>		<u>236,305</u>	
	323,633		306,745	
Less: utilization as anticipated revenue	<u>50,000</u>		<u>50,000</u>	
Fund balance - December 31,	<u>\$ 273,633</u>		<u>\$ 256,745</u>	

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Year	Apportionment				Total Tax Rate
	Municipal	County	Local School	Regional High School	
2023	\$ 0.19	\$ 0.48	\$ 1.67	\$ 0.80	\$ 3.13
2022	0.19	0.44	1.64	0.79	3.06
2021	0.19	0.42	1.61	0.74	2.96
2020	0.19	0.42	1.54	0.72	2.87
2019	0.19	0.41	1.47	0.67	2.74
2018	0.19	0.40	1.44	0.60	2.63
2017	0.19	0.39	1.43	0.64	2.65
2016	0.19	0.39	1.40	0.58	2.56
2015	0.19	0.39	1.40	0.58	2.56
2014*	0.09	0.39	1.37	0.61	2.46

* Revalued/Reassessed

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Year	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2023	\$ 632,821,722	\$ 807,582,596	78.36%
2022	630,452,074	735,221,078	85.75%
2021	628,580,989	692,346,061	90.79%
2020	629,102,042	692,919,971	90.79%
2019	625,896,115	677,890,301	92.33%
2018	626,706,636	668,986,588	93.68%
2017	626,987,136	661,057,714	94.85%
2016	628,568,401	659,360,538	95.33%
2015	628,414,718	660,724,128	95.11%
2014*	629,009,734	670,270,971	93.84%

* Revalued/Reassessed

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in percentage of current collection could be an indication of probable increases in future tax levies.

Year	Tax Levy	Cash Collections	Percentage of Collections
2023	\$ 19,935,876	\$ 19,616,407	98.40%
2022	19,339,410	19,111,387	98.82%
2021	18,664,009	18,381,070	98.48%
2020	18,059,876	17,786,189	98.48%
2019	17,352,518	17,106,003	98.58%
2018	16,519,976	16,259,757	98.42%
2017	16,653,130	16,400,341	98.48%
2016	16,312,768	16,066,968	98.49%
2015	16,132,875	15,908,743	98.61%
2014	15,534,767	15,286,853	98.40%

Increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the Municipality, such as Federal and State aid, should decline without corresponding decreases in budgeted expenditures.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

ASSESSED VALUES DISTRIBUTION

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property
2014 *	\$ 6,480,600	\$ 525,191,400	\$ 429,300	\$ 16,026,211	\$ 68,119,310	\$ 11,231,600	\$ 627,478,421
2015	6,975,500	524,687,600	429,300	15,119,411	68,466,590	11,231,600	626,910,001
2016	7,439,600	526,884,100	429,300	13,883,911	67,235,780	11,231,600	627,104,291
2017	8,046,300	527,053,100	429,300	14,136,311	65,405,630	10,448,100	625,518,741
2018	7,665,900	524,938,100	429,300	14,447,811	67,640,830	10,448,100	625,570,041
2019	7,302,800	524,979,900	429,300	14,458,811	67,152,730	10,448,100	624,771,641
2020	9,831,500	526,398,500	429,300	14,565,111	66,552,030	10,198,100	627,974,541
2021	9,500,900	525,715,700	429,300	13,813,111	67,662,830	10,198,100	627,319,941
2022	8,791,500	526,881,200	429,300	13,867,311	69,096,030	10,198,100	629,263,441
2023	9,986,700	529,114,500	429,300	13,660,211	68,307,530	10,198,100	631,696,341

* Revalued/Reassessed

DELINQUENT TAXES AND TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last ten years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2014	\$ 91,392	\$ 246,952	\$ 338,344	2.18%
2015	91,392	216,132	307,524	1.91%
2016	91,392	217,730	309,122	1.89%
2017	91,392	231,399	322,791	1.94%
2018	104,975	233,702	338,677	2.05%
2019	98,431	233,060	331,491	1.91%
2020	101,748	231,720	333,468	1.85%
2021	96,182	260,021	356,203	1.91%
2022	107,143	208,420	315,563	1.63%
2023	115,038	304,520	419,558	2.10%

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 5,700
2022	5,700
2021	5,700
2020	5,700
2019	5,700
2018	139,300
2017	139,300
2016	139,300
2015	194,300
2014	359,300

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current fund	2023	\$ 2,722,194	\$ 960,012
	2022	2,825,608	985,409
	2021	2,772,456	940,000
	2020	2,505,062	900,000
	2019	3,161,243	800,000
	2018	2,984,924	725,000
	2017	2,647,758	695,000
	2016	2,313,298	700,000
	2015	2,060,853	700,000
	2014	2,019,743	695,000

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

COMPARATIVE SCHEDULE OF FUND BALANCES (continued)

	<u>December 31,</u>	<u>Amount</u>	<u>Utilized in Budget of Succeeding Year</u>
Sewer utility	2023	\$ 273,633	\$ 50,225
	2022	256,745	50,000
	2021	236,305	50,000
	2020	185,443	50,000
	2019	166,715	70,000
	2018	132,015	50,000
	2017	63,959	50,000
	2016	80,038	50,000
	2015	146,486	121,750
	2014	123,181	59,600

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Debt Incurring Capacity as of December 31, 2023
(Unaudited)

Municipal

1. Equalized valuations of real property (2023, 2022, 2021)	\$ 806,652,953
2. Permitted municipal debt limitation (3.5% of \$806,652,953)	28,232,853
3. Net debt issued, outstanding and authorized	-
4. Excess school borrowing	-
5. Total charges to borrowing margin	-
6. Remaining municipal borrowing capacity	\$ 28,232,853

Local school district

1. Permitted school district debt limitation (3.0% of \$806,652,953)	\$ 24,199,589
2. Debt issued, outstanding and authorized	-
3. Remaining municipal borrowing capacity	\$ 24,199,589

Gross & statutory net debt as of December 31,

Year	Gross Debt	Statutory Net Debt	
	Amount	Amount	Percentage
2023	\$ -	\$ -	0.00%
2022	-	-	0.00%
2021	-	-	0.00%
2020	-	-	0.00%
2019	100,000	100,000	0.02%
2018	350,787	-	0.00%
2017	552,011	250,000	0.04%
2016	749,093	300,000	0.05%
2015	1,096,956	500,000	0.08%
2014	1,265,488	-	0.00%

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Statement of Indebtedness as of December 31, 2023
(Unaudited)

General purposes			
Bonds, notes and loans issued and outstanding			
Bonds		\$	-
Notes			-
Bonds and notes authorized but not issued			-
		<u> </u>	\$ -
Sewer utility purposes			
Bonds, notes and loans issued and outstanding			
Bonds			-
Notes			-
Bonds and notes authorized but not issued			-
		<u> </u>	-
Local school district			
Bonds, notes and loans issued and outstanding			
Bonds			-
Notes			-
Bonds and notes authorized but not issued			-
		<u> </u>	-
Regional school district			
Bonds, notes and loans issued and outstanding			
Bonds			-
Notes			-
Bonds and notes authorized but not issued			-
		<u> </u>	-
Total gross debt			<u> </u> -
Statutory deductions			
Municipal			-
Local school district			-
Regional school district			-
Total statutory deductions			-
Total net debt			<u> </u> <u> </u> \$ -
		Debt	Estimated %
Overlapping debt as of December 31, 2022		<u>Outstanding</u>	<u>Applicable</u>
Local school district debt	\$	-	100.00%
Regional school district debt		-	28.81%
County debt	71,347,396		3.22%
		<u> </u>	<u> </u>
Total overlapping debt			<u> </u> <u> </u> \$ 2,299,981

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Statement of Indebtedness as of December 31, 2023
(Unaudited)

	<u>Year</u>	<u>Assessed Valuation</u>	<u>Amount</u>
Gross debt			\$ -
Per capita (population 2020 census - 5,177)			-
Percent of average equalized valuation basis	2023	\$ 806,652,953	0.00%
Percent of net valuation taxable	2023	632,821,722	0.00%
Net municipal debt			-
Per capita (population 2020 census - 5,177)			-
Percent of average equalized valuation basis	2023	806,652,953	0.00%
Percent of net valuation taxable	2023	632,821,722	0.00%
Overall debt			2,299,981
Per capita (population 2020 census - 5,177)			449
Percent of average equalized valuation basis	2023	806,652,953	0.29%
Percent of net valuation taxable	2023	632,821,722	0.36%

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Insurance
For the Year Ended December 31, 2023 (Unaudited)

	Coverage	Deductible
	Statutory	
General and auto liability - Statewide Insurance Fund	\$ 10,000,000	\$ -
Public officials' liability - Statewide Insurance Fund	6,000,000	15,000
Employment Practices Liability - Statewide Insurance Fund	6,000,000	10,000
Police professional liability - Statewide Insurance Fund	10,000,000	-
Workers compensation - Statewide Insurance Fund	2,000,000	-
Package policy - Statewide Insurance Fund		
Property - building and contents (policy limit)	22,156,960	1,000
Excess general liability - Statewide Insurance Fund	5,000,000	-
Crime coverage - Statewide Insurance Fund		
Employee dishonesty	2,000,000	7,500
Treasurers & Tax collectors	1,000,000	7,500
Cyber Liability - Statewide Insurance Fund	2,000,000	15,000
Non-Owned Aircraft Liability - Statewide Insurance Fund	5,000,000	-

Adequacy of insurance coverage is the responsibility of the Municipality.

See independent auditors' report.

TOWNSHIP OF HOLLAND
List of Officials
(Unaudited)

Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

Name	Title
Daniel Bush	Mayor
Scott Wilhelm	Deputy Mayor
Lisa Pezzano-Mickey	Committeeperson
Robert Thurgarland	Committeeperson
Duane Young	Committeeperson

* * * * *

Name	Title
Melissa Tigar	Municipal Clerk
Kristi Gano	Treasurer & Chief Financial Officer
AnnMarie Silva	Tax and Sewer Collector
Michelle Trivigno	Assessor
Gebhardt and Kiefer	Attorney
Maser Consulting	Engineers and Planners

An excess crime bond pool issued by Municipal Excess Liability Joint Insurance Fund covers all Township employees in the aggregate of \$1,000,000. In addition, the Tax and Sewer Collector position was covered under a provision in the Municipalities crime coverage policy in the aggregate of \$1,000,000 less a \$7,500 deductible.

TOWNSHIP OF HOLLAND
General Comments
(Unaudited)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicated that contracts were awarded for the following items:

Maintenance Services	Information Technology Support Services
Animal Control Services	Dennis Road Oil and Chip Work
Sewer Line Inspections	Finance Office Shared Services
Spring Garden Road Improvements	Riegel Ridge Fire Protection
Riegel Ridge Heating and Cooling	Miller Park Road Oil and Chip Work

The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for Professional Services per N.J.S.A. 40A:11-5 as follows:

Auditor	Engineer
Planning Consultants	Risk Consultant
Licensed Sewer Operator	Labor Attorney/Special Counsel
Highlands and COAH Advisors	Municipal Attorney
Architect	Municipal Prosecutor
Public Defender	Land Surveying Services
Health Benefits Advisors	

As the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

In accordance with N.J.S.A., 40A:11-3(c) and N.J.A.C. 5:34-5 et seq., the Municipality has appointed a Qualified Purchasing Agent which allows the Municipality to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold. From our examination of expenditures, it appears that there were no individual payments, contracts or agreements in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A.40A:11-6.

See independent auditors' report.

TOWNSHIP OF HOLLAND
General Comments
(Unaudited)

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 3, 2023, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED that the rate of interest to be charged by the Township of Holland for nonpayment of taxes or assessments on or before the date they would become delinquent, shall be 8% on the first \$1,500 and 18% per annum on the balance over \$1,500 provided however that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same became payable. Any installment received after the expiration of the said ten-day grace period, shall bear interest from the due date.

In addition to the above interest charges the Municipality has authorized, by resolution, to charge additional penalties as follows:

Six percent (6%) penalty on any delinquency exceeding \$10,000 on any given parcel of property and who fails to pay the delinquency prior to the end of the calendar year.

It appears from the Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held in the year 2023 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2023	7
2022	7
2021	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on the taxpaying basis.

See independent auditors' report.

TOWNSHIP OF HOLLAND
Recommendations
(Unaudited)

Recommendations

Finding 2023-01

The Municipality should make a continuing effort to collect funds receivable for applicable projects.

TOWNSHIP OF HOLLAND
Acknowledgements
(Unaudited)

We would be pleased to confer on questions that might arise with respect to any matter in this report.

We wish to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.



BKC, CPAs, PC



Laura Atwell
Certified Public Accountant
Registered Municipal Accountant