

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT
December 31, 2021



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

For the Year Ended December 31, 2021

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Certified Public Accountants, PC
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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 County, New Jersey, as of December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 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, 2021 and 2020, 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.

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 Financial Assistance, 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 and Local 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 Assistance and the Schedule of State and Local 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 August 17, 2022 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



William M. Colantano
Certified Public Accountant
Registered Municipal Accountant

August 17, 2022
Flemington, New Jersey

FINANCIAL STATEMENTS - REGULATORY BASIS

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

	Ref.	2021	2020
Assets			
Regular fund			
Cash			
Treasurer	A-4	\$ 10,716,987	\$ 10,378,586
Tax collector	A-6	100,384	169,470
Change funds	A-8	550	550
		10,817,921	10,548,606
Delinquent property taxes receivable	A-9	260,021	231,719
Tax title liens receivable	A-10	96,182	101,749
Property acquired for taxes - assessed valuation	A-11	5,700	5,700
Revenue accounts receivable	A-12	502	538
Due from federal and state grant fund	A-13	-	100,000
Due from other trust funds	A-15	603	-
		363,008	439,706
Total regular fund		11,180,929	10,988,312
Federal and state grant fund			
Cash	A-4	271,344	15,612
Grants receivable	A-18	142,494	297,079
Total federal and state grant fund		413,838	312,691
Total assets		\$ 11,594,767	\$ 11,301,003

See accompanying notes to the financial statements.

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

	Ref.	2021	2020
Liabilities, reserves and fund balance			
Regular fund			
Appropriation reserves	A-3;A-19	\$ 438,455	\$ 892,112
Reserve for encumbrances	A-20	49,265	31,254
Due to State of NJ Veteran's & Senior Citizen's deductions	A-21	2,737	2,763
Prepaid taxes	A-22	34,677	119,097
Tax overpayments	A-23	91,994	12,232
Local school tax payable	A-24	5,073,164	4,834,568
Regional high school taxes payable	A-25	2,319,460	2,067,727
County tax payable	A-26	10,936	5,239
Due to outside agencies	A-27	300	275
Due to outside lienholders	A-28	972	972
Due to other trust funds	A-15	-	53,800
Reserve for first aid squad	A-29	23,305	23,305
Reserve for veterans day celebration	A-30	200	200
		8,045,465	8,043,544
Reserve for receivables	A	363,008	439,706
Fund balance	A-1	2,772,456	2,505,062
Total regular fund		11,180,929	10,988,312
Federal and state grant fund			
Due to current fund	A-32	-	100,000
Appropriated reserves for grants	A-33	146,265	201,020
Unappropriated reserves for grants	A-34	266,748	-
Reserve for encumbrances	A-35	825	11,671
Total federal and state grant fund		413,838	312,691
Total liabilities, reserves and fund balance		\$ 11,594,767	\$ 11,301,003

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.	2021	2020
Revenues and other income realized			
Fund balance utilized	A-2	\$ 900,000	\$ 800,000
Miscellaneous revenue anticipated	A-2	3,376,457	3,030,729
Receipts from delinquent taxes	A-2	271,060	232,558
Receipts from current taxes	A-2	18,381,070	17,786,188
Non-budget revenue	A-2	97,612	108,086
Other credits to income			
Interfund returns - net	A-2	99,397	288
Unexpended balance of appropriation reserves	A-19	831,329	432,014
Tax overpayments canceled	A-23	148	75
Total income		<u>23,957,073</u>	<u>22,389,938</u>
Expenditures			
Budget and emergency appropriations			
Operations			
Salaries and wages	A-3	1,950,400	2,019,700
Other expenses	A-3	2,287,479	2,263,528
Capital improvements	A-3	500,000	500,000
Deferred charges & statutory expenditures	A-3	441,500	422,373
Local district school taxes	A-24	10,146,328	9,669,135
Regional high school taxes	A-25	4,844,909	4,753,424
County taxes	A-26	2,607,378	2,612,221
County share of added taxes	A-26	10,935	5,238
Other debits to income			
Prior year senior citizen deduction disallowed	A-21	750	500
Total expenditures		<u>22,789,679</u>	<u>22,246,119</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>2021</u>	<u>2020</u>
Regulatory excess to fund balance		\$ 1,167,394	\$ 143,819
Balance January 1,	A	<u>2,505,062</u>	<u>3,161,243</u>
		3,672,456	3,305,062
Decreased by			
Utilized as anticipated revenue	A-2	<u>900,000</u>	<u>800,000</u>
Balance December 31,	A	<u><u>\$ 2,772,456</u></u>	<u><u>\$ 2,505,062</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, 2021

	Ref.	Unaudited Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund balance anticipated	A-1	\$ 900,000	\$ -	\$ 900,000	\$ -
Miscellaneous revenues					
Licenses					
Alcoholic beverage	A-12	5,000	-	5,376	376
Fines and costs					
Municipal court	A-12	6,000	-	15,867	9,867
Interest on investments and deposits	A-2	64,615	-	9,032	(55,583)
Interest & cost on taxes	A-6	50,000	-	55,434	5,434
Swimming pool fees	A-12	88,000	-	149,590	61,590
Recreation committee activities	A-12	-	-	400	400
Riegel Ridge Community Center fees	A-12	289,000	-	322,516	33,516
Snack bar fees	A-12	16,000	-	33,494	17,494
Energy receipts tax	A-12	2,689,482	-	2,689,482	-
Garden state trust fund	A-12	21,453	-	33,037	11,584
Holland Township Park Association-					
Park development	A-18	-	10,000	10,000	-
Recycling tonnage grant	A-18	-	5,752	5,752	-
Emergency Management - EMAA	A-18	-	10,000	10,000	-
Emergency Management Grant	A-18	10,000	-	10,000	-
Economic development	A-18	5,850	-	5,850	-
COVID 19 grant	A-18	2,039	-	2,039	-
Clean communities grant	A-18	-	17,658	17,658	-
Body armor	A-18	930	-	930	-
Total miscellaneous revenues	A-1	3,248,369	43,410	3,376,457	84,678
Receipts from delinquent taxes	A-1;A-2	210,000	-	271,060	61,060
Property tax for support of municipal budget appropriations					
Local tax for municipal purposes	A-2	1,193,600	-	1,393,509	199,909
Budget totals		5,551,969	43,410	5,941,026	\$ 345,647
Nonbudget revenues	A-1;A-2	-	-	97,612	
		\$ 5,551,969	\$ 43,410	\$ 6,038,638	
	Ref.	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, 2021

	Ref.			
Analysis of realized revenues				
Allocation of current tax collections				
Tax collections	A-1;A-9			\$ 18,381,070
Allocated to				
Local district school taxes	A-9			10,146,328
Regional high school taxes	A-9			4,638,920
County taxes	A-9			2,618,313
				17,403,561
Balance for support of municipal budget appropriations				977,509
Add: appropriation - reserve for uncollected taxes	A-3			416,000
Realized for support of municipal budget	A-2			\$ 1,393,509
Analysis of delinquent tax collections				
Receipts from delinquent tax collections	A-9			\$ 264,224
Receipts from tax title lien collections	A-10			6,836
	A-2			\$ 271,060
Interest on investments				
Treasurer	A-4			\$ 6,804
Tax collector	A-6			2,125
Other trust fund	A-15			103
	A-2			\$ 9,032
				Increase (Decrease)
Interfund advances and return analysis	Ref.	12/31/2021	12/31/2020	
Due from federal and state grant fund	A-13	\$ -	\$ 100,000	\$ (100,000)
Due to escrow funds	A-15	603	-	603
		\$ 603	\$ 100,000	\$ (99,397)
	Ref.			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, 2021

	<u>Ref.</u>		
Analysis of realized revenues (continued)			
Analysis of nonbudget revenue			
Treasurer			
Cell tower rent		\$ 14,600	
Planning board fees		2,525	
Cable TV franchise fee		21,243	
Veteran's & Seniors Citizen's - administrative fees		1,016	
Homestead rebate processing fee		280	
Clerk - other licenses		25	
Perc testing fees		7,250	
Registrar fees		4,634	
Zoning fees and permits		13,525	
Food handling licenses		3,100	
Holland book sales		698	
Insurance proceeds		4,051	
Driveway permits		1,425	
Dumpster tickets		8,755	
Recycling sales		1,846	
Tire disposal		1,403	
Police fees		3,021	
Riegel Ridge Rams reimbursements		3,389	
Miscellaneous other		<u>4,766</u>	
	Below		\$ 97,552
Tax collector			
Duplicate tax bills	A-6		<u>60</u>
	A-2		<u>\$ 97,612</u>
Cash receipts	A-4		\$ 97,052
Due from other funds	A-15		<u>500</u>
			<u>\$ 97,552</u>

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis
Current Fund
For the Year Ended December 31, 2021

	Unaudited Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget	Budget After	Paid or Charged	Reserved		
		Modification				
Operations within CAPS						
General government						
Mayor and committee						
Salaries and wages	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
Other expenses	46,000	38,800	27,250	11,550	-	-
Municipal clerk						
Salaries and wages	116,000	116,000	111,251	4,749	-	-
Other expenses	35,000	30,000	17,600	12,400	-	-
Financial administration						
Salaries and wages	26,000	26,000	21,762	4,238	-	-
Other expenses	69,000	69,000	65,607	3,393	-	-
Audit services	25,000	23,000	23,000	-	-	-
IT other expenses	40,000	64,000	60,600	3,400	-	-
Assessment of taxes						
Salaries and wages	43,000	43,000	42,305	695	-	-
Other expenses	3,000	3,000	1,347	1,653	-	-
Collection of taxes						
Salaries and wages	25,000	25,000	22,045	2,955	-	-
Other expenses	9,300	9,300	5,441	3,859	-	-
Legal services and costs						
Other expenses	80,000	65,000	37,720	27,280	-	-
Engineering services & costs						
Other expenses	35,000	35,000	27,953	7,047	-	-
Municipal court						
Other expenses	27,000	27,000	27,000	-	-	-
Public buildings and grounds						
Salaries and wages	35,000	35,000	27,392	7,608	-	-
Other expenses	230,000	230,000	197,798	32,202	-	-
Land use administration						
Planning board						
Salaries and wages	25,000	25,000	25,000	-	-	-
Other expenses	33,000	25,000	11,413	13,587	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2021

	Unaudited					
	Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget	After Modification	Paid or Charged	Reserved		
Operations within CAPS (cont'd)						
General government (cont'd)						
Land use administration (cont'd)						
Zoning Board of Adjustment						
Salaries and wages	\$ 12,000	\$ 12,000	\$ 11,388	\$ 612	\$ -	\$ -
Other expenses	12,000	12,000	8,416	3,584	-	-
Zoning officer						
Salaries and wages	14,000	14,000	14,000	-	-	-
Other expenses	1,000	2,000	1,005	995	-	-
Public safety						
Fire						
Other expenses	23,000	23,000	21,047	1,953	-	-
Aid to volunteer fire companies	70,000	70,000	70,000	-	-	-
Police						
Salaries and wages	725,000	725,000	661,185	63,815	-	-
Other expenses	70,000	70,000	58,260	11,740	-	-
First aid organization contribution	70,000	70,000	70,000	-	-	-
Office of Emergency Management						
Salaries and wages	7,000	7,000	6,542	458	-	-
Other expenses	10,000	10,000	7,796	2,204	-	-
Public works						
Road repairs and maintenance						
Salaries and wages	490,000	490,000	462,094	27,906	-	-
Other expenses	200,000	200,000	196,985	3,015	-	-
Snow removal						
Other expenses	65,000	65,000	64,308	692	-	-
Recycling						
Salaries and wages	25,000	17,000	6,746	10,254	-	-
Other expenses	18,000	21,000	18,561	2,439	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2021

	Unaudited		Expended by			
	Appropriations				Balance Canceled	Over- Expended
	Budget	After Modification	Paid or Charged	Reserved		
Operations within CAPS (cont'd)						
General government (cont'd)						
Health and welfare						
Board of Health						
Salaries and wages	\$ 1,500	\$ 1,500	\$ 990	\$ 510	\$ -	\$ -
Other expenses	2,250	2,250	700	1,550	-	-
Environmental health services						
Other expenses	3,000	3,000	2,800	200	-	-
Animal control						
Other expenses	20,000	20,000	20,000	-	-	-
Parks and recreation						
Recreation committee						
Salaries and wages	270,000	290,000	281,178	8,822	-	-
Other expenses	130,000	105,700	79,514	26,186	-	-
Riegel Ridge Community Center						
Salaries and wages	1,500	1,500	450	1,050	-	-
Other expenses	10,000	10,000	2,209	7,791	-	-
Swimming pool						
Salaries and wages	80,000	88,900	88,876	24	-	-
Other expenses	30,000	30,500	30,396	104	-	-
Snack bar						
Salaries and wages	8,000	11,300	11,288	12	-	-
Other expenses	13,000	16,800	16,342	458	-	-
Historical preservation commission						
Salaries and wages	1,100	1,100	810	290	-	-
Other expenses	7,000	7,000	7,000	-	-	-
Agricultural advisory commission						
Salaries and wages	1,100	1,100	-	1,100	-	-
Other expenses	11,400	11,400	1,550	9,850	-	-
Insurance						
Worker's Compensation	60,000	60,000	58,886	1,114	-	-
Employee group health	385,000	385,000	354,945	30,055	-	-
Other insurance premiums	130,000	130,000	124,002	5,998	-	-

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2021

	Unaudited		Expended by			
	Appropriations				Balance Canceled	Over- Expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations within CAPS (cont'd)						
Unclassified						
Electricity	\$ 88,000	\$ 88,000	\$ 55,061	\$ 32,939	\$ -	\$ -
Street lighting	19,500	19,500	16,077	3,423	-	-
Telephone	30,000	30,000	26,690	3,310	-	-
Fuel oil	9,500	9,500	4,073	5,427	-	-
Gasoline & diesel fuel	50,000	50,000	39,522	10,478	-	-
Natural gas	19,500	19,500	16,967	2,533	-	-
Trash removal dumpster	30,000	35,000	32,119	2,881	-	-
Total operations within CAPS	<u>4,145,650</u>	<u>4,145,650</u>	<u>3,723,262</u>	<u>422,388</u>	<u>-</u>	<u>-</u>
Contingent	-	-	-	-	-	-
Total operations including contingent within CAPS	<u>4,145,650</u>	<u>4,145,650</u>	<u>3,723,262</u>	<u>422,388</u>	<u>-</u>	<u>-</u>
Detail						
Salaries and wages	1,926,200	1,950,400	1,815,302	135,098	-	-
Other expenses (including contingent)	<u>2,219,450</u>	<u>2,195,250</u>	<u>1,907,960</u>	<u>287,290</u>	<u>-</u>	<u>-</u>
Deferred charges and statutory expenditures						
Statutory expenditures						
Contribution to						
Public employees						
retirement system	116,500	116,500	116,360	140	-	-
Social Security						
system (OASI)	150,000	150,000	138,185	11,815	-	-
Police and Firemen's						
retirement system	159,000	159,000	159,000	-	-	-
Defined contribution						
retirement program	5,500	5,500	3,681	1,819	-	-
State unemployment						
compensation	<u>10,500</u>	<u>10,500</u>	<u>8,207</u>	<u>2,293</u>	<u>-</u>	<u>-</u>
Total deferred charges and statutory expenditures - Municipal within CAPS	<u>441,500</u>	<u>441,500</u>	<u>425,433</u>	<u>16,067</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, 2021

	Unaudited Appropriations		Expended by			Balance Canceled	Over- Expended
	Budget After		Paid or Charged	Reserved	Balance Canceled		
	Budget	Modification					
Total general appropriations for municipal purposes within CAPS	\$ 4,587,150	\$ 4,587,150	\$ 4,148,695	\$ 438,455	\$ -	\$ -	
Operations excluded from CAPS							
Other operations excluded from CAPS							
Aid to library NJSA 40:							
54-35 other expenses	30,000	30,000	30,000	-	-	-	
Public & private programs offset by revenues							
Holland Township Park Association - Park development							
Other expenses	-	10,000	10,000	-	-	-	
Emergency Management grant - EMAA							
Other expenses	-	10,000	10,000	-	-	-	
Emergency Management grant							
Other expenses	10,000	10,000	10,000	-	-	-	
Municipal Covid - grant (county)							
Other expenses	2,039	2,039	2,039	-	-	-	
County Economic Development grant							
Other expenses	5,850	5,850	5,850	-	-	-	
Recycling grant							
Other expenses	-	5,752	5,752	-	-	-	
Clean communities							
Other expenses	-	17,658	17,658	-	-	-	
NJ Body Armor							
Other expenses	930	930	930	-	-	-	
Total operations excluded from CAPS	48,819	92,229	92,229	-	-	-	

See accompanying notes to the financial statements.

TOWNSHIP OF HOLLAND
Statement of Expenditures - Regulatory Basis (continued)
Current Fund
For the Year Ended December 31, 2021

Detail	Unaudited		Expended by			
	Appropriations		Paid or Charged	Reserved	Balance Canceled	Over-Expended
	Budget	Budget After Modification				
Other expenses	\$ 48,819	\$ 92,229	\$ 92,229	\$ -	\$ -	\$ -
Capital improvements - excluded from CAPS						
Reserves for						
Purchase of fire truck	50,000	50,000	50,000	-	-	-
Road improvements	150,000	150,000	150,000	-	-	-
Building improvements	40,000	40,000	40,000	-	-	-
Police equipment	60,000	60,000	60,000	-	-	-
Purchase of ambulance	15,000	15,000	15,000	-	-	-
Purchase of DPW equipment	185,000	185,000	185,000	-	-	-
Total capital improvements excluded from CAPS	500,000	500,000	500,000	-	-	-
Total general appropriation, for municipal purposes excluded from CAPS	548,819	592,229	592,229	-	-	-
Subtotal general appropriations	5,135,969	5,179,379	4,740,924	438,455	-	-
Reserve for uncollected taxes	416,000	416,000	416,000	-	-	-
Total general appropriations	\$ 5,551,969	\$ 5,595,379	\$ 5,156,924	\$ 438,455	\$ -	\$ -
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, 2021

	Ref.	Paid or Charged
Paid or charged		
Cash disbursed	A-4	\$ 2,196,705
Due to payroll account	A-16	1,944,642
Due to animal control fund	A-17	20,000
Reserve for encumbrances	A-20	49,265
Reserve for uncollected taxes	A-2	416,000
Due to general capital fund	A-14	500,000
Appropriated reserve for grants	A-33	62,229
		5,188,841
Less		
Appropriation refunds	A-4	31,917
	A-3	\$ 5,156,924
Appropriations		
Budget	A-2	\$ 5,551,969
Added by N.J.S.A. 40A:4-87	A-2	43,410
	A-3	\$ 5,595,379

See accompanying notes to the financial statements.

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

	Ref.	2021	2020
Assets			
Animal control fund			
Cash	B-1	\$ 9,496	\$ 6,128
Other trust funds			
Cash - Treasurer	B-1	781,242	627,629
Loans receivable	B-7	262,949	262,949
Due from current fund	B-6	-	53,800
		<u>1,044,191</u>	<u>944,378</u>
Total assets		<u>\$ 1,053,687</u>	<u>\$ 950,506</u>
Liabilities and reserves			
Animal control fund			
Reserve for animal control fund expenditures	B-3	\$ 9,422	\$ 6,061
Due to State of New Jersey	B-5	74	67
		<u>9,496</u>	<u>6,128</u>
Other trust funds			
Due to current fund	B-6	603	-
Reserve for escrow funds	B-8	252,136	209,742
Reserve for small cities revolving loan	B-9	464,135	463,989
Reserve for recreation and community services	B-10	3,966	572
Reserve for development fees	B-11	53,319	32,666
Reserve for tax sale premiums	B-12	82,100	61,500
Reserve for snow removal	B-13	100,000	88,000
Reserve for payroll account	B-14	120	100
Reserve for future legal expenses	B-15	15,141	15,133
Reserve for performance bond	B-16	72,663	72,668
Reserve for POAA	B-17	8	8
		<u>1,044,191</u>	<u>944,378</u>
Total liabilities and reserves		<u>\$ 1,053,687</u>	<u>\$ 950,506</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>2021</u>	<u>2020</u>
Assets			
Cash	C-2	\$ 2,357,561	\$ 2,769,554
Total assets		<u>\$ 2,357,561</u>	<u>\$ 2,769,554</u>
Liabilities, reserves and fund balance			
Improvement authorizations funded	C-7	\$ 721,522	\$ 1,263,152
Reserve for encumbrances	C-8	524,371	390,159
Capital improvement fund	C-9	501,145	929,442
Reserve for capital projects	C-10	171,850	168,833
Fund balance	C-1	<u>438,673</u>	<u>17,968</u>
Total liabilities, reserves and fund balance		<u>\$ 2,357,561</u>	<u>\$ 2,769,554</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>2021</u>	<u>2020</u>
Balance - January 1	C	\$ 17,968	\$ 277,968
Increased by			
Improvement authorization balances canceled	C-7	<u>420,705</u>	<u>250,000</u>
		438,673	527,968
Decreased by			
Appropriated to finance improvement authorizations		<u>-</u>	<u>510,000</u>
Balance - December 31	C	<u>\$ 438,673</u>	<u>\$ 17,968</u>

See accompanying notes to the financial statements.

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

	Ref.	2021	2020
Assets			
Operating fund			
Cash			
Treasurer	D-5	\$ 295,943	\$ 247,025
Collector	D-7	7,108	26,041
		303,051	273,066
Receivables with full reserves			
Consumer accounts receivable	D-10	35,588	35,331
Total operating fund		338,639	308,397
Capital fund			
Cash	D-5	297,500	172,541
Fixed capital	D-12	1,314,238	1,314,238
Fixed capital authorized and uncompleted	D-13	150,000	150,000
Total capital fund		1,761,738	1,636,779
Total assets		\$ 2,100,377	\$ 1,945,176

See accompanying notes to the financial statements.

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

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Liabilities, reserves and fund balance			
Operating fund			
Liabilities			
Appropriation reserves	D-4;D-14	\$ 60,658	\$ 82,481
Sewer rent overpayments	D-15	3,173	754
Prepaid sewer rents	D-16	2,915	4,388
		<u>66,746</u>	<u>87,623</u>
Reserve for receivables	D	35,588	35,331
Fund balance	D-1	236,305	185,443
Total operating fund		<u>338,639</u>	<u>308,397</u>
Capital fund			
Improvement authorizations	D-18	95,223	95,264
Capital improvement fund	D-19	126,545	1,545
Reserve for amortization	D-20	1,389,826	1,389,826
Deferred reserve for amortization	D-21	150,000	150,000
Capital fund balance	D-2	144	144
Total capital fund		<u>1,761,738</u>	<u>1,636,779</u>
Total liabilities, reserves and fund balance		<u>\$ 2,100,377</u>	<u>\$ 1,945,176</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.	2021	2020
Revenues and other income realized			
Fund balance utilized	D-3	\$ 50,000	\$ 70,000
Sewer service charges	D-3	555,644	545,802
Miscellaneous	D-3	2,798	5,116
Other credits to income			
Unexpended balance of appropriation reserves	D-14	82,420	77,360
Total income		<u>690,862</u>	<u>698,278</u>
Expenditures			
Operating expenses	D-4	464,000	468,500
Capital improvements	D-4	125,000	38,000
Debt service	D-4	-	101,550
Deferred charges & statutory expenditures	D-4	1,000	1,500
Total expenditures		<u>590,000</u>	<u>609,550</u>
Statutory excess to fund balance		100,862	88,728
Fund balance			
Balance January 1,	D	<u>185,443</u>	<u>166,715</u>
Decreased by		286,305	255,443
Utilized as anticipated revenue	D-3	<u>50,000</u>	<u>70,000</u>
Balance December 31,	D	<u><u>\$ 236,305</u></u>	<u><u>\$ 185,443</u></u>

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>2021</u>	<u>2020</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, 2021

	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	-	555,644	15,644
		<u>590,000</u>	<u>-</u>	<u>605,644</u>	<u>15,644</u>
Non-budget revenue	D-1;D-3	-	-	2,798	2,798
		<u>\$ 590,000</u>	<u>\$ -</u>	<u>\$ 608,442</u>	<u>\$ 18,442</u>
	<u>Ref.</u>	D-4			
Analysis of non-budget revenue					
Interest on deposits	D-3		\$ 392		
Interest and costs on payments	D-7		2,406		
	D-3		<u>\$ 2,798</u>		
Interest on deposits					
Sewer operating	D-5		\$ 140		
Collector	D-7		71		
Sewer capital	D-11		181		
	D-3		<u>\$ 392</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, 2021

	Unaudited Appropriations		Expended by		Balance Canceled	Over- Expended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating						
Salaries and wages	\$ 5,000	\$ 5,000	\$ 4,165	\$ 835	\$ -	\$ -
Other expenses	24,000	24,000	5,671	18,329	-	-
Contribution to Milford sewer	435,000	435,000	394,187	40,813	-	-
Capital improvements						
Capital improvement fund	125,000	125,000	125,000	-	-	-
Contribution to Social Security system	1,000	1,000	319	681	-	-
	<u>\$590,000</u>	<u>\$ 590,000</u>	<u>\$ 529,342</u>	<u>\$ 60,658</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Ref.</u>	D-3	D-3	D-1; Below	D; D-1	

Analysis of Paid or Charged

Disbursements	D-5	\$399,858
Due from payroll account	D-9	4,484
Due to sewer capital fund	D-11	<u>125,000</u>
	D-4	<u>\$ 529,342</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,

	2021	(RESTATED) 2020
General fixed assets		
Land	\$ 2,439,700	\$ 2,439,700
Construction in progress	12,857	192,221
Building and building improvements	7,617,220	7,368,020
Machinery and equipment	5,321,478	5,321,478
Investment in general fixed assets	\$ 15,391,255	\$ 15,321,419

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, 2021 and 2020

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, 2021 and 2020

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 a 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, 2021 and 2020

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 a 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, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020, the Municipality's bank balances of \$14,891,831 and \$14,480,998, respectively, were exposed to custodial credit risk as follows:

	2021	2020
Insured by the FDIC	\$ 250,000	\$ 250,000
Deposits with New Jersey Cash Management Fund	75,925	75,895
Deposits protected by GUDPA	14,565,906	14,155,103
Total	<u>\$ 14,891,831</u>	<u>\$ 14,480,998</u>

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, 2021, and 2020, 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, 2021 and 2020

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, 2021 and 2020

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 and indicates a statutory net debt of .000%.

Net debt \$- divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$703,798,940 equals .000%.

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

3 ½ % of equalized valuation basis (municipal)	\$ 24,632,963
Net debt	-
Remaining borrowing power	\$ 24,632,963

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	Balance	Balance	Balance
	12/31/21	12/31/20	12/31/21	12/31/20
Balance of tax	\$ 5,073,164	\$ 4,834,568	\$ 2,319,460	\$ 2,273,716
Deferred	-	-	-	205,989
Tax payable (prepaid)	\$ 5,073,164	\$ 4,834,568	\$ 2,319,460	\$ 2,067,727

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 12/31/21	Balance 12/31/20
Prepaid taxes	\$ 34,677	\$ 119,097
Less: discount allowed	-	-
Cash liability for taxes collected in advance	\$ 34,677	\$ 119,097

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, 2021 and 2020

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 Comprehensive Annual Financial Report (CAFR) 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	Definition
1	Members enrolled prior to July 1, 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 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, 2021 and 2020

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, 2020, 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, 2020.

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 2020, the State's pension contribution was less 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, 2021 and 2020 was 15.66% and 14.72%, 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 \$116,360 and \$103,372 for the year ending December 31, 2021 and 2020, respectively.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

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, 2020 and 2019 are as follows:

	2020	2019
Net pension liability	\$ 1,734,566	\$ 1,910,463
Proportionate share	0.0106366902%	0.0106027960%
 Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.57%

Actuarial assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increases (based on years of service)		
Through 2026		2.00% - 6.00%
Thereafter		3.00% - 7.00%
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-2020.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective net pension liability and actuarial information(continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk management strategies	3.00%	3.40%

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective net pension liability and actuarial information(continued)

Long-term expected rate of return (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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, 2020 and 2019 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:

Municipality's proportionate share of the net pension liability	<u>2021</u>
At current discount rate (7.00%)	\$ 1,734,566
At a 1% lower rate (6.00%)	2,200,699
At a 1% higher rate (8.00%)	1,364,252
 Municipality's proportionate share of the net pension liability	 <u>2020</u>
At current discount rate (6.28%)	\$ 1,910,463
At a 1% lower rate (5.28%)	2,430,013
At a 1% higher rate (7.28%)	1,497,158

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective net pension liability and actuarial information (continued)

Collective deferred outflows of resources and deferred inflows of resources

At the plan measurement date of June 30, 2020 and 2019, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,584	\$ 6,134	\$ 34,290	\$ 8,440
Changes of assumptions	56,271	726,279	190,767	663,116
Net difference between projected and actual earnings on pension plan investments	59,289	-	-	30,157
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	33,799	112,473	59,346	155,426
Total	<u>\$ 180,943</u>	<u>\$ 844,886</u>	<u>\$ 284,403</u>	<u>\$ 857,139</u>

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, 2020 and 2019:

June 30, 2020	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 34,290	\$ (2,706)	\$ 31,584
Changes of assumptions	190,767	(134,496)	56,271
Differences between projected and actual investment earnings on pension plan investments	-	59,289	59,289
Deferred inflows of resources			
Differences between expected and actual experience	(8,440)	2,306	(6,134)
Changes of assumptions	(663,116)	(63,163)	(726,279)
Differences between projected and actual investment earnings on pension plan investments	(30,157)	30,157	-
Net changes in deferred outflows (inflows) of resources	<u>\$ (476,656)</u>	<u>\$ (108,613)</u>	<u>\$ (585,269)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Public employee's retirement system (continued)

Collective net pension liability and actuarial information (continued)

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

<u>June 30, 2019</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	\$ 39,073	\$ (4,783)	\$ 34,290
Changes of assumptions	337,629	(146,862)	190,767
Deferred inflows of resources			
Differences between expected and actual experience	(10,565)	2,125	(8,440)
Changes of assumptions	(655,138)	(7,978)	(663,116)
Differences between projected and actual investment earnings on pension plan investments	(19,219)	(10,938)	(30,157)
Net changes in deferred outflows (inflows) of resources	<u>\$ (308,220)</u>	<u>\$ (168,436)</u>	<u>\$ (476,656)</u>

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, 2020 and 2019 as follows:

	<u>2020</u>		<u>2019</u>
2021	\$ (217,656)	2020	\$ (55,165)
2022	(198,436)	2021	(178,956)
2023	(113,401)	2022	(159,797)
2024	(45,858)	2023	(75,033)
2025	(9,918)	2024	(7,704)
Total	<u>\$ (585,269)</u>	Total	<u>\$ (476,655)</u>

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the Municipality for the plan measurement date of June 30, 2020 and 2019 are as follows:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)
Public employee's retirement system (continued)
Pension expense (continued)

	2020	2019
Service cost	\$ 81,942	\$ 73,580
Interest on total pension liability	266,993	218,083
Benefit changes	(1,830)	-
Member contributions	(58,244)	(50,680)
Administrative expense	1,393	1,343
Expected investment return net of investment expense	(157,174)	(135,319)
Pension expense related to specific liabilities of individual employers	(730)	(634)
Recognition of deferred inflows/outflows of resources		
Amortization of expected versus actual experience	18,824	16,419
Amortization of assumption changes or inputs	(138,664)	(50,183)
Amortization of projected versus actual investment earnings on pension plan investments	28,936	15,964
Pension expense	<u>\$ 41,446</u>	<u>\$ 88,573</u>

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 PERS 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, 2021 and 2020, the Municipality contributed \$3,681 and \$3,619 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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

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 Comprehensive Annual Financial Report (CAFR), 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	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members eligible to enroll on or after June 28, 2011

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

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 2020, the State's pension contribution was less 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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)
Police and fireman's retirement system (continued)
Contributions (continued)

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, 2020 and 2019 was 30.00% and 30.75%, 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 \$158,719 and \$152,423 for the year ending December 31, 2021 and 2020, respectively.

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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Police and fireman's retirement system (continued)

Special funding situation (continued)

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$21,923 to the PFRS for normal pension benefits on behalf of the Municipality, which is less than the contractually required contributions of \$32,288.

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, 2020 and 2019 are as follows:

	2020	2019
Municipality proportionate share of net pension liability	\$ 2,120,663	\$ 2,138,244
Less: State proportionate share of net pension liability	284,902	291,590
Net pension liability	\$ 1,835,761	\$ 1,846,654
Proportionate share	0.0142072262%	0.0150897315%
Plan fiduciary net position as a percentage of the total pension liability	63.52%	65.00%

Actuarial assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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% - 15.25%
Investment rate of return	7.00%

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Police and fireman's retirement system (continued)

Actuarial assumptions (continued)

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2020) 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, 2020 are summarized in the following table:

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

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%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging market equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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, 2021 and 2020

Note 7 - Pensions (continued)

Police and fireman's retirement system (continued)

Collective net pension liability and actuarial information (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, 2020 and 2019 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>	2020
At current discount rate (7.00%)	\$ 2,120,663
At a 1% lower rate (6.00%)	2,820,045
At a 1% higher rate (8.00%)	1,539,772
<u>Municipality's proportionate share of the net pension liability</u>	2019
At current discount rate (6.85%)	\$ 2,138,244
At a 1% lower rate (5.85%)	2,890,127
At a 1% higher rate (7.85%)	1,515,953

Collective deferred outflows of resources and deferred inflows of resources

At the plan measurement date of June 30, 2020 and 2019, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,508	\$ 6,588	\$ 15,588	\$ 11,692
Changes of assumptions	4,620	492,157	63,276	596,822
Net difference between projected and actual earnings on pension plan investments	107,639	-	-	25,022
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	81,600	116,637	138,479	30,748
Total	\$ 212,367	\$ 615,382	\$ 217,343	\$ 664,284

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Police and fireman's retirement system (continued)

Collective net pension liability and actuarial information (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, 2020 and 2019:

<u>June 30, 2020</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	\$ 15,588	\$ 2,920	\$ 18,508
Changes of assumptions	63,276	(58,656)	4,620
Differences between projected and actual investment earnings on pension plan investments	-	107,639	107,639
Deferred inflows of resources			
Differences between expected and actual experience	(11,692)	5,104	(6,588)
Changes of assumptions	(596,822)	104,665	(492,157)
Differences between projected and actual investment earnings on pension plan investments	(25,022)	25,022	-
Net changes in deferred outflows (inflows) of resources	<u>\$ (554,672)</u>	<u>\$ 186,694</u>	<u>\$ (367,978)</u>
<u>June 30, 2019</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	\$ 20,718	\$ (5,130)	\$ 15,588
Changes of assumptions	174,798	(111,522)	63,276
Deferred inflows of resources			
Difference between expected and actual experience	(8,427)	(3,265)	(11,692)
Changes of assumptions	(521,895)	(74,927)	(596,822)
Differences between projected and actual investment earnings on pension plan investments	(11,141)	(13,881)	(25,022)
Net changes in deferred outflows (inflows) of resources	<u>\$ (345,947)</u>	<u>\$ (208,725)</u>	<u>\$ (554,672)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 7 - Pensions (continued)

Police and fireman's retirement system (continued)

Collective net pension liability and actuarial information (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 at the plan measurement date of June 30, 2020 and 2019 are as follows:

	<u>2020</u>		<u>2019</u>
2021	\$ (171,723)	2020	\$ (65,753)
2022	(115,892)	2021	(138,026)
2023	(47,180)	2022	(97,751)
2024	(17,823)	2023	(48,185)
2025	(15,360)	2024	(27,007)
Total	<u>\$ (367,978)</u>	Total	<u>\$ (376,722)</u>

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the Municipality for the plan measurement date of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Service cost	\$ 110,764	\$ 126,841
Interest on total pension liability	390,169	399,641
Member contributions	(51,352)	(54,133)
Administrative expense	1,552	850
Expected investment return net of investment expense	(244,740)	(253,059)
Pension expense related to specific liabilities of individual employers	(997)	(1,226)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs	2,241	(60,176)
Amortization of expected versus actual experience	(125,989)	(1,758)
Amortization of projected versus actual investment earnings on pension plan investments	52,213	41,878
Less: state proportionate share of employer expense	(32,288)	(33,880)
Pension expense	<u>\$ 101,573</u>	<u>\$ 164,978</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020 were \$22,478 and \$20,159, 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, 2019 through June 30, 2020. 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, 2020 and 2019 were as follows:

	2020	2019
Net OPEB liability	\$ 2,411,307	\$ 1,695,833
Proportionate share	0.013436%	0.012519%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.98%

The net OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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, 2021 and 2020

Note 8 - Postretirement benefits (continued)

Components of net OPEB liability (continued)

Inflation rate	2.50%
Salary increases (based on years of service)	
PERS	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

Mortality:

PERS Pub-2010 General classification head count weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively

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

Healthcare trend assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectfully, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

Discount rate

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50% 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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 8 - Postretirement benefits (continued)

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, 2020 and 2019, 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:

Sensitivity of net OPEB liability to changes in the discount rate

	2020	2019
At current discount rate (2.21% and 3.50%)	\$ 2,411,307	\$ 1,695,833
At a 1% lower rate (1.21% and 2.50%)	2,850,674	1,960,814
At a 1% higher rate (3.21% and 4.50%)	2,063,508	1,480,500

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, 2020 and 2019, 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:

	2020	2019
Healthcare cost trend rate	\$ 2,411,307	\$ 1,695,833
At a 1% lower rate (1% decrease)	1,995,359	1,431,074
At a 1% higher rate (1% increase)	2,955,996	2,033,577

Collective deferred outflows of resources and deferred inflows of resources

At the plan measurement date of June 30, 2020 and 2019, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,512	\$ 449,030	\$ -	\$ 495,928
Changes of assumptions	360,656	536,237	-	600,965
Net difference between projected and actual earnings on OPEB plan investments	1,531	-	1,397	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	339,869	428,278	192,787	520,202
Total	\$ 765,568	\$ 1,413,545	\$ 194,184	\$ 1,617,095

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

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, 2020 and 2019, respectively:

<u>June 30, 2020</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	\$ 63,512
Changes of assumptions	-	360,656	360,656
Differences between projected and actual investment earnings on OPEB plan investments	1,397	134	1,531
Deferred inflows of resources			
Differences between expected and actual experience	(495,928)	46,898	(449,030)
	<u>(600,965)</u>	<u>64,728</u>	<u>(536,237)</u>
Net changes in deferred outflow: (inflows) of resources	<u>\$ (1,095,496)</u>	<u>\$ 535,928</u>	<u>\$ (559,568)</u>
Plan measurement date of June 30, 2020			
2021			\$ (129,620)
2022			(129,737)
2023			(129,927)
2024			(130,101)
2025			(88,712)
Thereafter			48,529
Total			<u>\$ (559,568)</u>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 8 - Postretirement benefits (continued)

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

<u>June 30, 2019</u>	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between projected and actual investment earnings on OPEB plan investments	\$ 1,119	\$ 278	\$ 1,397
Deferred inflows of resources			
Differences between expected and actual experience	(429,992)	(65,936)	(495,928)
Changes of assumptions	(537,211)	(63,754)	(600,965)
Net changes in deferred outflows (inflows) of resources	<u>\$ (966,084)</u>	<u>\$ (129,412)</u>	<u>\$ (1,095,496)</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 of June 30, 2019,

2020	\$ (178,421)
2021	(178,421)
2022	(178,530)
2023	(178,707)
2024	(178,869)
Thereafter	(202,548)
Total	<u>\$ (1,095,496)</u>

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

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 8 - Postretirement benefits (continued)

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, 2020 and 2019 are as follows:

	2020	2019
Service cost	\$ 81,415	\$ 83,448
Interest on total OPEB liability	66,837	79,631
Expected investment return	(1,025)	(1,413)
Administrative expense	1,332	1,187
Changes in benefit terms	139	(238)
Current period recognition (amortization) of deferred inflows/outflows of resources		
Differences between expected and actual experience	(73,978)	(77,543)
Changes of assumptions	(56,251)	(101,326)
Differences between projected and actual investment earnings on OPEB plan investments	609	448
Total OPEB (benefit) expense	\$ 19,078	\$ (15,806)

Note 9 - Compensated absences

The Municipality has permitted certain employees to accrue unused sick pay which may be taken off as time or paid at a later date at an agreed upon rate. At December 31, 2021 and 2020, the Municipality's liability is approximately \$45,956 and \$52,162, respectively.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 10 - Fixed assets

The following schedule is a summarization of the changes in general fixed assets for the years ended December 31, 2021 and 2020:

	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Land	\$ 2,439,700	\$ -	\$ -	\$ 2,439,700
Building & building improvements	7,368,020	249,200	-	7,617,220
Furniture, machinery & equipment	5,321,478	-	-	5,321,478
Construction in progress	192,221	12,857	192,221	12,857
Subtotal	<u>15,321,419</u>	<u>262,057</u>	<u>192,221</u>	<u>15,391,255</u>
Transfers	<u>-</u>	<u>192,221</u>	<u>192,221</u>	<u>-</u>
Total	<u>\$ 15,321,419</u>	<u>\$ 69,836</u>	<u>\$ -</u>	<u>\$ 15,391,255</u>

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Land	\$ 2,439,700	\$ -	\$ -	\$ 2,439,700
Building & building improvements	7,265,921	102,099	-	7,368,020
Furniture, machinery & equipment	5,290,905	177,016	146,443	5,321,478
Construction in progress	192,221	-	-	192,221
Total	<u>\$ 15,188,747</u>	<u>\$ 279,115</u>	<u>\$ 146,443</u>	<u>\$ 15,321,419</u>

Note 11 - Interfunds receivable and payable

The following interfund balances remained on the various balance sheets of the Municipality as of December 31, 2021 and 2020:

December 31, 2021	Interfund Receivable	Interfund Payable
Current fund		
Other trust funds	\$ 603	\$ -
Other trust funds		
Current fund	-	603
	<u>\$ 603</u>	<u>\$ 603</u>

The balance due to the current fund from the other trust fund represents interest earned in and deposits made to other trust fund bank accounts that were not remitted to the current fund by the end of the year.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 11 - Interfunds receivable and payable (continued)

All of the interfund balances are expected to be liquidated within one year.

December 31, 2020	Interfund Receivable	Interfund Payable
Current fund		
Federal and state grant fund	\$ 100,000	\$ -
Other trust fund	-	53,800
Federal and state grant fund		
Current fund	-	100,000
Other trust fund		
Current fund	53,800	-
	\$ 153,800	\$ 153,800

The balance due to the current fund from the other trust fund represents interest earned but not transferred to the current fund. The balance due to the current fund from the Federal and state grant fund represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

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.

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.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

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

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>

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 14 - Risk management (continued)

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, 2021, 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.

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 \$262,949 as of December 31, 2021 and December 31, 2020.

TOWNSHIP OF HOLLAND
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 18 - Risk and uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Municipality's financial condition, liquidity, and future results of operations.

Note 19 - Fund balances appropriated

For the year ending December 31, 2021 and 2020, fund balances which are appropriated in the succeeding year's budget and included as anticipated revenue in their own respective funds are as follows:

	2021	2020
Current fund balance appropriated in succeeding year's budget	\$ 940,000	\$ 900,000
Sewer operating fund balance appropriated in succeeding year's budget	50,000	50,000
Total fund balances appropriated	\$ 990,000	\$ 950,000

Note 20 - Restatement of prior year fixed assets

For the year ending December 31, 2021, the Township has determined a restatement of general fixed assets is necessary for the year ended December 31, 2020. This is due to a review of fixed assets made by the Township. The following is a summary of the Township's restatement of general fixed assets as of December 31, 2020:

General fixed assets, December 31, 2020	\$ 15,435,726
Decrease to construction in progress	114,307
Total fund balances appropriated	\$ 15,321,419

Note 21 - Subsequent events

The Municipality has determined that no material events or transactions have occurred subsequent to December 31, 2021 and through August 17, 2022 the date of the Municipality's financial statement issuance, which requires additional financial disclosure in the Municipality's financial statements.

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2021
CURRENT FUND

TOWNSHIP OF HOLLAND
Schedule of Current Fund Cash - Treasurer

	Ref.	Regular Fund	Federal & State Grant Fund
Balance - December 31, 2020	A	\$ 10,378,586	\$ 15,612
Increased by receipts			
Non-budget revenue	A-2	\$ 97,052	\$ -
Interest on investments and deposits	A-2	6,804	-
Appropriation refunds	A-3	31,917	-
Tax collector	A-6	18,700,000	-
Revenue accounts receivable	A-12	3,249,762	-
Due from federal and state grant fund	A-13	100,000	-
Grants receivable	A-18	-	191,814
Appropriation reserve refunds	A-19	5,144	-
State of NJ - Veteran's & Senior Citizen's deductions	A-21	50,786	-
Due to outside agencies	A-27	450	-
Sales tax payable	A-31	2,219	-
Unappropriated reserves for state grants	A-34	-	266,748
		<u>22,244,134</u>	<u>458,562</u>
		32,622,720	474,174
Decreased by disbursements			
2021 budget appropriations	A-3	2,196,705	-
2020 appropriation reserves	A-19	96,906	-
Due from general capital fund	A-14	500,000	-
Due to payroll account	A-16	1,944,642	-
Due from animal control fund	A-17	20,000	-
Tax overpayments refunded	A-23	13,320	-
Local school tax payable	A-24	9,907,732	-
Regional high school tax payable	A-25	4,593,176	-
County taxes payable	A-26	2,612,616	-
Due to outside agencies	A-27	700	-
Due to outside lienholders	A-28	17,717	-
Sales tax payable	A-31	2,219	-
Due to regular fund	A-32	-	100,000
Appropriated reserves for state grants	A-33	-	91,159
Encumbrances payable	A-35	-	11,671
		<u>21,905,733</u>	<u>202,830</u>
Balance - December 31, 2021	A; A-5	<u><u>\$ 10,716,987</u></u>	<u><u>\$ 271,344</u></u>

See independent auditors' report.

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

	Ref.	Regular Fund	Federal & State Grant Fund
Balance - December 31, 2021	A-4	\$ 10,716,987	\$ 271,344
Increased by			
Receipts		23,417,879	48,273
		34,134,866	319,617
Decreased by			
Disbursements		28,067,879	284,773
Balance - June 30, 2022		\$ 6,066,987	\$ 34,844
Cash reconciliation - June 30, 2022			
Balance per statement			
Northfield Bank		\$ 7,789,579	\$ 34,844
NJ Cash Management		76,067	-
Subtotal		7,865,646	34,844
Add: deposits in transit		9,765	-
		7,875,411	34,844
Less: outstanding checks		1,808,424	-
Book balance		\$ 6,066,987	\$ 34,844

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash - Tax Collector

	<u>Ref.</u>		
Balance - December 31, 2020	A		\$ 169,470
Increased by receipts			
Interest and costs on taxes	A-2	\$ 55,434	
Interest on deposits	A-2	2,125	
Miscellaneous revenue not anticipated	A-2	60	
Taxes receivable	A-9	18,473,511	
Tax title liens receivable	A-10	6,836	
Prepaid taxes	A-22	34,677	
Tax overpayments	A-23	94,354	
Due to outside lienholders	A-28	<u>17,717</u>	
			<u>18,684,714</u>
			18,854,184
Decreased by disbursements			
Paid to treasurer	A-4	18,700,000	
Due from other trust fund	A-15	<u>53,800</u>	
			<u>18,753,800</u>
Balance - December 31, 2021	A; A-7		<u><u>\$ 100,384</u></u>

See independent auditors' report.

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, 2021	A-6	\$ 100,384
Increased by		
Receipts		9,114,341
		<u>9,214,725</u>
Decreased by		
Disbursements		9,001,874
		<u>9,001,874</u>
Balance - June 30, 2022		<u><u>\$ 212,851</u></u>
Cash reconciliation - June 30, 2022		
Balance per statement		
Northfield Bank		\$ 216,793
Less: outstanding checks		3,942
		<u>3,942</u>
Book balance		<u><u>\$ 212,851</u></u>

TOWNSHIP OF HOLLAND
Schedule of Change Funds

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>\$ 550</u>
Balance - December 31, 2021	A	<u><u>\$ 550</u></u>

See independent auditors' report.

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

Year	Balance	2021 Levy	Added	Collected		Transferred	Veteran's &	Tax	Canceled	Balance
	12/31/20		2021	2020	2021	to Tax	Senior	Overpayment		12/31/21
						Title Liens	Citizen's	Applied		
2014	\$ -	\$ -	\$ 5,014	\$ -	\$ 5,014	\$ -	\$ -	\$ -	\$ -	\$ -
2015	-	-	5,198	-	5,198	-	-	-	-	-
2016	-	-	5,255	-	5,255	-	-	-	-	-
2017	-	-	5,389	-	5,389	-	-	-	-	-
2018	449	-	5,349	-	5,798	-	-	-	-	-
2019	-	-	5,810	-	5,810	-	-	-	-	-
2020	231,270	-	500	-	231,760	-	-	-	-	10
2021	-	18,587,141	76,868	119,097	18,209,287	1,269	51,562	1,124	21,659	260,011
	<u>\$ 231,719</u>	<u>\$ 18,587,141</u>	<u>\$ 109,383</u>	<u>\$ 119,097</u>	<u>\$ 18,473,511</u>	<u>\$ 1,269</u>	<u>\$ 51,562</u>	<u>\$ 1,124</u>	<u>\$ 21,659</u>	<u>\$ 260,021</u>
<u>Ref.</u>	A	Reserve	Reserve	A-22	A-6	A-10	A-21	A-23	Reserve	A

See independent auditors' report.

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

	Ref.	
Analysis of 2021 property tax		
Tax yield		
General purpose tax		\$ 18,587,141
Added and omitted taxes		76,868
	A-9	\$ 18,664,009
Detail of tax levy		
Authorizations		
Local district school tax	A-2;A-24	\$ 10,146,328
Regional district school tax	A-2;A-25	4,638,920
County tax		\$ 2,184,284
County library tax		214,491
County open space tax		208,603
County share of added and omitted taxes		10,935
Total county taxes	A-2;A-26	2,618,313
Municipal purpose tax	A-2	1,193,600
Additional tax levied		66,848
Total municipal purpose tax		1,260,448
	A-9	\$ 18,664,009

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Tax Title Liens Receivable

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 101,749
Increased by		
Transferred from taxes receivable	A-9	<u>1,269</u>
		103,018
Decreased by		
Receipts	A-2; A-6	<u>6,836</u>
Balance - December 31, 2021	A	<u><u>\$ 96,182</u></u>

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

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>\$ 5,700</u>
Balance - December 31, 2021	A	<u><u>\$ 5,700</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Revenue Accounts Receivable

	<u>Ref.</u>	<u>Balance 12/31/20</u>	<u>Accrued in 2021</u>	<u>Collected Treasurer</u>	<u>Balance 12/31/21</u>
Alcoholic beverage licenses	A-2	\$ -	\$ 5,376	\$ 5,376	\$ -
Municipal court	A-2	538	15,831	15,867	502
Swimming pool fees	A-2	-	149,590	149,590	-
Riegel Ridge Community Center fees	A-2	-	322,516	322,516	-
Recreation committee activities	A-2	-	400	400	-
Snack bar fees	A-2	-	33,494	33,494	-
Garden State trust fund	A-2	-	33,037	33,037	-
Energy receipts tax	A-2	-	2,689,482	2,689,482	-
		<u>\$ 538</u>	<u>\$ 3,249,726</u>	<u>\$ 3,249,762</u>	<u>\$ 502</u>
	<u>Ref.</u>	A	Reserve	A-4	A

See independent auditors' report.

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

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 100,000
Decreased by		
Receipts	A-4	<u>100,000</u>
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

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TOWNSHIP OF HOLLAND
Schedule of Due from General Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ -
Increased by		
Disbursements	A-4	<u>500,000</u>
		500,000
Decreased by		
Current year budget appropriations	A-3	<u>500,000</u>
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to/from Other Trust Funds

	<u>Ref.</u>	
Balance - December 31, 2020 (due to)	A	\$ 53,800
Decreased by		
Interest on investments	A-2	\$ 103
Deposits received in the other trust funds	A-2	500
Disbursements	A-6	<u>53,800</u>
		<u>54,403</u>
Balance - December 31, 2021 (due from)	A	<u><u>\$ 603</u></u>

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TOWNSHIP OF HOLLAND
Schedule of Due to Payroll Account

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ -
Increased by		
Current year budget appropriations	A-4	<u>1,944,642</u>
		1,944,642
Decreased by		
Disbursements	A-3	<u>1,944,642</u>
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to Animal Control Fund

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ -
Increased by		
Current year budget appropriations	A-4	20,000
		<u>20,000</u>
Decreased by		
Disbursements	A-3	20,000
		<u>20,000</u>
Balance - December 31, 2021	A	<u>\$ -</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Grants Receivable

Grant	Balance 12/31/20	Revenue in 2021	Received	Balance Cancelled	Balance 12/31/21
National Crime Statistics Exchange Program	\$ 49,851	\$ -	\$ 49,851	\$ -	\$ -
Highlands grant	115,654	-	14,815	-	100,839
NJ Highlands water protection and planning council	18,952	-	-	-	18,952
Highlands water protection and planning council - amended plan confirmation	15,000	-	15,000	-	-
Highlands grant	5,122	-	-	-	5,122
Highlands grant task 13	5,000	-	-	-	5,000
NJ Body armor grant	-	930	930	-	-
Clean communities grant	-	17,658	17,658	-	-
Small cities grant program	15,000	-	15,000	-	-
Recycling tonnage grant	-	5,752	5,752	-	-
Community forestry grant	10,000	-	-	-	10,000
Hunterdon historical preservation grant	25,000	-	-	25,000	-
Hunterdon historical preservation grant	37,500	-	37,500	-	-
Emergency Management (EMMA)	-	10,000	10,000	-	-
Emergency Grant	-	10,000	10,000	-	-
COVID 19 Grant	-	2,039	2,039	-	-
Economic Development	-	5,850	3,269	-	2,581
Local Donation	-	10,000	10,000	-	-
	<u>\$ 297,079</u>	<u>\$ 62,229</u>	<u>\$ 191,814</u>	<u>\$ 25,000</u>	<u>\$ 142,494</u>
<u>Ref.</u>	A	A-2	A-4	A-33	A

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves
For the Year Ended December 31, 2021

	Balance 12/31/20	Balance After Transfer	Expended	Balance Lapsed
Mayor and council				
Other expenses	\$ 14,679	\$ 14,679	\$ 4,146	\$ 10,533
Municipal clerk				
Salaries and wages	7,023	7,023	120	6,903
Miscellaneous other expenses	16,565	17,231	(115)	17,346
Financial administration				
Salaries and wages	9,734	9,734	890	8,844
Other expenses	5,465	5,544	770	4,774
IT other expenses	3,760	4,983	1,843	3,140
Assessment of taxes				
Salaries and wages	525	525	-	525
Other expenses	1,984	1,984	-	1,984
Collection of taxes				
Salaries and wages	3,225	3,225	-	3,225
Other expenses	178	2,233	2,087	146
Legal services and costs				
Other expenses	7,286	7,286	6,600	686
Engineering service and costs				
Other expenses	8,272	8,272	495	7,777
Municipal court				
Salaries and wages	1,284	3,801	3,801	-
Other expenses	11,350	8,833	5,029	3,804
Municipal prosecutor				
Salaries and wages	758	758	-	758
Public building and grounds				
Salaries and wages	9,026	9,026	-	9,026
Other expenses	11,173	11,415	3,053	8,362
Planning board				
Salaries and wages	450	450	-	450
Other expenses	27,471	27,471	(772)	28,243
Zoning board of adjustment				
Salaries and wages	250	250	-	250
Other expenses	994	2,862	1,286	1,576
Zoning officer				
Salaries and wages	1,000	1,000	-	1,000
Other expenses	10	10	-	10

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves (continued)
For the Year Ended December 31, 2021

	Balance 12/31/20	Balance After Transfer	Expended	Balance Lapsed
Fire				
Other expenses	\$ 2,130	\$ 5,542	\$ 3,808	\$ 1,734
Police				
Salaries and wages	81,558	81,558	3,927	77,631
Other expenses	2,227	9,239	7,807	1,432
Office of emergency management				
Salaries and wages	353	353	-	353
Other expenses	554	1,698	1,144	554
Road repair and maintenance				
Salaries and wages	99,684	99,684	2,223	97,461
Other expenses	70,394	70,486	10,399	60,087
Snow removal				
Other expenses	49,261	49,261	12,000	37,261
Recycling				
Salaries and wages	15,559	15,559	268	15,291
Other expenses	360	1,246	1,070	176
Board of health				
Salaries and wages	136	136	-	136
Other expenses	1,174	1,174	200	974
Environmental health services				
Other expenses	2,200	2,200	-	2,200
Recreation committee				
Salaries and wages	960	960	-	960
Other expenses	6,120	8,918	-	8,918
Riegel Ridge Community Center				
Salaries and wages	163,386	163,386	2,601	160,785
Other expenses	78,400	78,538	707	77,831
Swimming pool				
Salaries and wages	12,364	12,364	-	12,364
Other expenses	1,274	1,293	790	503
Snack bar				
Salaries and wages	1,938	1,938	-	1,938
Other expenses	5,569	5,569	-	5,569

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Appropriation Reserves (continued)
For the Year Ended December 31, 2021

	Balance 12/31/20	Balance After Transfer	Expended	Balance Lapsed
Historical preservation commission				
Salaries and wages	\$ 1,100	\$ 1,100	\$ 180	\$ 920
Other expenses	792	5,792	4,345	1,447
Agricultural advisory committee				
Salaries and wages	920	920	-	920
Other expenses	2,565	5,065	3,385	1,680
Insurance				
Other insurance premiums	7,393	7,393	-	7,393
Worker's compensation insurance	1,840	1,840	-	1,840
Employee group health	23,319	23,319	234	23,085
Unclassified				
Utilities				
Electricity	21,653	21,653	2,238	19,415
Street lighting	4,072	4,072	586	3,486
Telephone	2,525	4,370	1,686	2,684
Fuel oil	6,145	6,145	-	6,145
Gasoline and diesel fuel	33,028	33,028	605	32,423
Natural gas	6,690	6,690	1,883	4,807
Trash removal dumpster	5,713	5,713	-	5,713
Contribution to				
Public employees retirement system	128	128	-	128
Social Security system	30,165	30,165	-	30,165
DCRP contribution	2,331	2,331	-	2,331
Unemployment insurance	3,670	3,670	443	3,227
	<u>\$ 892,112</u>	<u>\$ 923,091</u>	<u>\$ 91,762</u>	<u>\$ 831,329</u>
<u>Ref.</u>	A	Below	Below	A-1
Appropriation reserves	A	\$ 892,112		
Encumbrances payable	A-20	30,979		
		<u>\$ 923,091</u>		
Cash disbursed	A-4		\$ 96,906	
Cash received	A-4		(5,144)	
			<u>\$ 91,762</u>	

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances

	<u>Ref.</u>		
Balance - December 31, 2020	A		\$ 31,254
Increased by			
2021 budget charges	A-3		<u>49,265</u>
			80,519
Decreased by			
Applied to appropriation reserves	A-19	\$ 30,979	
Due to outside agencies	A-27	<u>275</u>	
			<u>31,254</u>
Balance - December 31, 2021	A		<u><u>\$ 49,265</u></u>

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

	<u>Ref.</u>		
Balance - December 31, 2020	A		\$ 2,763
Increased by			
Prior year Veteran's & Senior Citizen's deductions disallowed by collector	A-1	\$ 750	
Receipts	A-4	<u>50,786</u>	
			<u>51,536</u>
			54,299
Decreased by			
Veteran's deductions per tax billings		43,500	
Veteran's deductions allowed by tax collector		1,000	
Senior Citizen's deductions per tax billings		7,500	
Less			
Veteran's & Senior Citizen's deductions disallowed by collector	A-9	<u>(438)</u>	
			<u>51,562</u>
Balance - December 31, 2021	A		<u><u>\$ 2,737</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Prepaid Taxes

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 119,097
Increased by		
Collection of 2022 taxes	A-6	<u>34,677</u>
		153,774
Decreased by		
Applied to 2021 taxes receivable	A-9	<u>119,097</u>
Balance - December 31, 2021	A	<u><u>\$ 34,677</u></u>

A-23

TOWNSHIP OF HOLLAND
Schedule of Tax Overpayments

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 12,232
Increased by		
Receipts	A-6	<u>94,354</u>
		106,586
Decreased by		
Overpayments canceled	A-1	\$ 148
Overpayments applied	A-9	1,124
Refunded	A-4	<u>13,320</u>
		<u>14,592</u>
Balance - December 31, 2021	A	<u><u>\$ 91,994</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Local School Tax Payable

	Ref.	
Balance - December 31, 2020	A	\$ 4,834,568
Increased by		
Levy - School year July 1, 2021 to June 30, 2022	A-9	10,146,328
		14,980,896
Decreased by		
Disbursements	A-4	9,907,732
		9,907,732
Balance - December 31, 2021	A	\$ 5,073,164
2020 Liability for local school tax		
Tax paid		\$ 9,907,732
Add: tax payable December 31, 2021		5,073,164
		14,980,896
Less: tax payable December 31, 2020		4,834,568
Amount charged to operations	A-1	\$ 10,146,328

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Regional High School Tax Payable

	<u>Ref.</u>		
Balance - December 31, 2020			
School tax payable	A	\$ 2,067,727	
School tax deferred (4.53%)		<u>205,989</u>	
			\$ 2,273,716
Increased by			
Levy - School year July 1, 2021 to June 30, 2022	A-9		<u>4,638,920</u>
			<u>6,912,636</u>
Decreased by			
Disbursements	A-4		<u>4,593,176</u>
Balance - December 31, 2021	A		<u><u>\$ 2,319,460</u></u>
2020 liability for Regional High School tax			
Tax paid			\$ 4,593,176
Add: tax payable December 31, 2021			<u>2,319,460</u>
			<u>6,912,636</u>
Less: tax payable December 31, 2020			<u>2,067,727</u>
Amount charged to operations	A-1		<u><u>\$ 4,844,909</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of County Taxes Payable

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 5,239
Increased by		
2021 levy		
County taxes		\$ 2,184,284
County library tax		214,491
County open space tax		208,603
County share of added and omitted taxes		<u>10,935</u>
	A-1;A-9	<u>2,618,313</u>
		<u>2,623,552</u>
Decreased by		
Disbursements	A-4	<u>2,612,616</u>
Balance - December 31, 2021	A	<u><u>\$ 10,936</u></u>

A-27

TOWNSHIP OF HOLLAND
Schedule of Due to Outside Agencies

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 275
Increase by		
Receipts	A-4	\$ 450
Encumbrances payable	A-20	<u>275</u>
		<u>725</u>
		1,000
Decreased by		
Disbursements	A-4	<u>700</u>
Balance - December 31, 2021	A	<u><u>\$ 300</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to Outside Lienholders

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 972
Increased by		
Receipts	A-6	<u>17,717</u>
		18,689
Decreased by		
Disbursements	A-4	<u>17,717</u>
Balance - December 31, 2021	A	<u><u>\$ 972</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for First Aid Squad

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ <u>23,305</u>
Balance - December 31, 2021	A	\$ <u><u>23,305</u></u>

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

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ <u>200</u>
Balance - December 31, 2021	A	\$ <u><u>200</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Sales Tax Payable

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ -
Increased by		
Receipts	A-4	<u>2,219</u>
		2,219
Decreased by		
Disbursements	A-4	<u>2,219</u>
		-
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

A-32

TOWNSHIP OF HOLLAND
Schedule of Due to Current Fund

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 100,000
Decreased by		
Disbursements	A-4	<u>100,000</u>
		-
Balance - December 31, 2021	A	<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Appropriated Reserves for Grants

Grant	Balance 12/31/20	Transferred from 2021 Budget	Paid or Charged	Adjustment	Balance 12/31/21
State Grants					
Recycling tonnage grant - 2021	\$ -	\$ 5,752	\$ 5,752	\$ -	\$ -
Body armor grant - 2018	699	-	699	-	-
Body armor grant - 2020	1,088	-	81	-	1,007
Body armor grant - 2021	-	930	-	-	930
Clean communities program - 2021	-	17,658	17,658	-	-
Clean communities program - 2020	2,097	-	2,097	-	-
COVID-19 grant	-	2,039	2,039	-	-
Economic development	-	5,850	4,151	-	1,699
Emergency Management - EMMA	-	10,000	10,000	-	-
Emergency Management Fund 2021	-	10,000	-	-	10,000
Holland Township Park Association					
Park Development	-	10,000	-	-	10,000
Highlands grant second - 2011	95,321	-	1,958	(5,098)	88,265
Highlands grant special - 2015	18,484	-	-	-	18,484
Highlands grant special - 2019	24	-	-	5,098	5,122
Highlands grant task 13	758	-	-	-	758
Green communities grant	-	-	-	-	-
Community forestry grant	10,000	-	10,000	-	-
Federal grants					
National crime statistics exchange program through NJ Department of law and public safety	22,829	-	22,829	-	-
Local grants					
Hunterdon County emergency management 2013 EMEA - 2016	5,000	-	-	-	5,000
Hunterdon County emergency management grant	5,000	-	-	-	5,000
Hunterdon historical preservation grant	39,720	-	14,720	(25,000)	-
	<u>\$ 201,020</u>	<u>\$ 62,229</u>	<u>\$ 91,984</u>	<u>\$ (25,000)</u>	<u>\$ 146,265</u>
<u>Ref.</u>	A	A-3	Below	Below	A
Cash disbursed	A-4		\$ 91,159		
Encumbrances payable	A-35		825		
			<u>\$ 91,984</u>		
Balance canceled	A-18			<u>\$ (25,000)</u>	

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Unappropriated Reserves for Grants

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ -
Increased by		
Receipts	A-4	<u>266,748</u>
Balance - December 31, 2021	A	<u><u>\$ 266,748</u></u>
Analysis of balance		
American Recovery Plan funds		<u><u>\$ 266,748</u></u>
		A-35

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

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 11,671
Increased by		
Current year grant charges	A-33	<u>825</u>
		12,496
Decreased by		
Disbursements	A-4	<u>11,671</u>
Balance - December 31, 2021	A	<u><u>\$ 825</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND

COUNTY OF HUNTERDON

2021

TRUST FUND

TOWNSHIP OF HOLLAND
Schedule of Trust Fund Cash - Treasurer

	<u>Ref.</u>	<u>Animal Control Funds</u>	<u>Other Trust Funds</u>
Balance - December 31, 2020	B	\$ 6,128	\$ 627,629
Increased by receipts			
Animal control fund	B-3	\$ 7,850	\$ -
Due to current fund	B-4	20,000	-
Due to State of New Jersey	B-5	1,063	-
Due from current fund	B-6	-	54,497
Reserve for escrow funds	B-8	-	118,337
Reserve for small cities revolving loan	B-9	-	146
Reserve for recreation and community services	B-10	-	5,002
Reserve for development fees	B-11	-	20,653
Reserve for tax sale premiums	B-12	-	57,700
Reserve for snow removal	B-13	-	12,000
Reserve for payroll account	B-14	-	2,229,515
Reserve for future legal expenses	B-15	-	8
Reserve for performance bond	B-16	-	3
		<u>28,913</u>	<u>2,497,861</u>
		35,041	3,125,490
Decreased by disbursements			
Animal control fund	B-3	24,489	-
Due to State of New Jersey	B-5	1,056	-
Due from current fund	B-6	-	94
Reserve for escrow funds	B-8	-	75,943
Reserve for recreation and community services	B-10	-	1,608
Reserve for tax sale premiums	B-12	-	37,100
Reserve for payroll	B-14	-	2,229,495
Reserve for performance bond	B-16	-	8
		<u>25,545</u>	<u>2,344,248</u>
Balance - December 31, 2021	B;B-2	<u>\$ 9,496</u>	<u>\$ 781,242</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, 2021	B-1	\$ 9,496	\$ 781,242
Increased by			
Receipts		22,986	1,585,451
		32,482	2,366,693
Decreased by			
Disbursements		14,163	1,246,089
Balance - June 30, 2022		\$ 18,319	\$ 1,120,604
Cash reconciliation - June 30, 2022			
Balance per statement			
Northfield Bank		\$ 18,319	\$ 1,122,051
Less: outstanding checks		-	1,447
Book balance		\$ 18,319	\$ 1,120,604

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Animal Control Fund Expenditures

	<u>Ref.</u>		
Balance - December 31, 2020	B		\$ 6,061
Increased by			
Animal control fees	B-1	\$ 7,850	
Due from current fund	B-4	<u>20,000</u>	
			<u>27,850</u>
			33,911
Decreased by			
Expenditures under RS 4:119.15	B-1		<u>24,489</u>
Balance - December 31, 2021	B		<u><u>\$ 9,422</u></u>
Animal control collections			
2019			\$ 5,225
2020			8,418
Maximum allowable reserve			<u><u>\$ 13,643</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due to Current Fund
Animal Control Fund

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ -
Increased by		
Receipts	B-1	20,000
		<u>20,000</u>
Decreased by		
Budget appropriation	B-3	20,000
		<u>20,000</u>
Balance - December 31, 2021	B	<u><u>\$ -</u></u>

B-5

TOWNSHIP OF HOLLAND
Schedule of Due to State of New Jersey

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 67
Increased by		
State fees collected	B-1	1,063
		<u>1,130</u>
Decreased by		
Disbursements	B-1	1,056
		<u>1,056</u>
Balance - December 31, 2021	B	<u><u>\$ 74</u></u>

See independent auditors' report.

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

	<u>Ref.</u>	
Balance - December 31, 2020 (due from)	B	\$ 53,800
Increased by		
Disbursements	B-1	<u>94</u>
		53,894
Decreased by		
Receipts	B-1	<u>54,497</u>
Balance - December 31, 2021 (due to)	B	<u><u>\$ 603</u></u>

	<u>12/31/21</u>	<u>12/31/20</u>
Analysis of balance		
Due from		
Tax sale premium	\$ -	\$ 53,800
Due to		
Escrow funds	103	-
Developer fees	<u>500</u>	<u>-</u>
	<u><u>\$ 603</u></u>	<u><u>\$ 53,800</u></u>

B-7

TOWNSHIP OF HOLLAND
Schedule of Small Cities Revolving Loans Receivable

	<u>Ref.</u>	
Balance - December 31, 2020	B	<u>\$ 262,949</u>
Balance - December 31, 2021	B	<u><u>\$ 262,949</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Escrow Funds

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 209,742
Increased by		
Receipts	B-1	<u>118,337</u>
		328,079
Decreased by		
Disbursements	B-1	<u>75,943</u>
Balance - December 31, 2021	B	<u><u>\$ 252,136</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Small Cities Revolving Loan

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 463,989
Increased by		
Receipts	B-1	<u>146</u>
Balance - December 31, 2021	B	<u><u>\$ 464,135</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Recreation and Community Services

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 572
Increased by		
Receipts	B-1	<u>5,002</u>
		5,574
Decreased by		
Disbursements	B-1	<u>1,608</u>
Balance - December 31, 2021	B	<u><u>\$ 3,966</u></u>

B-11

TOWNSHIP OF HOLLAND
Schedule of Reserve for Development Fees

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 32,666
Increased by		
Receipts	B-1	<u>20,653</u>
Balance - December 31, 2021	B	<u><u>\$ 53,319</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Tax Sale Premiums

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 61,500
Increased by		
Receipts	B-1	<u>57,700</u>
		119,200
Decreased by		
Disbursements	B-1	<u>37,100</u>
Balance - December 31, 2021	B	<u><u>\$ 82,100</u></u>

TOWNSHIP OF HOLLAND
Schedule of Reserve for Snow Removal

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 88,000
Increased by		
Receipts	B-1	<u>12,000</u>
Balance - December 31, 2021	B	<u><u>\$ 100,000</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Payroll Account

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 100
Increased by		
Receipts	B-1	<u>2,229,515</u>
		2,229,615
Decreased by		
Disbursements	B-1	<u>2,229,495</u>
Balance - December 31, 2021	B	<u><u>\$ 120</u></u>

B-15

TOWNSHIP OF HOLLAND
Schedule of Reserve for Future Legal Expenses

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 15,133
Increased by		
Receipts	B-1	<u>8</u>
Balance - December 31, 2021	B	<u><u>\$ 15,141</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Performance Bond

	<u>Ref.</u>	
Balance - December 31, 2020	B	\$ 72,668
Increased by		
Receipts	B-1	3
		<u>72,671</u>
Decreased by		
Disbursements	B-1	8
		<u>8</u>
Balance - December 31, 2021	B	<u><u>\$ 72,663</u></u>

B-17

TOWNSHIP OF HOLLAND
Schedule of Reserve for POAA

	<u>Ref.</u>	
Balance - December 31, 2020	B	<u>\$ 8</u>
Balance - December 31, 2021	B	<u><u>\$ 8</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND

COUNTY OF HUNTERDON

2021

GENERAL CAPITAL FUND

TOWNSHIP OF HOLLAND
Schedule of General Capital Fund Cash - Treasurer

	<u>Ref.</u>	
Balance - December 31, 2020	C	\$ 2,769,554
Increased by receipts		
Due from current fund	C-5	\$ 500,000
Refund or prior year expenditures		
Capital improvement fund	C-9	1,703
Reserve for capital projects	C-10	13,017
Refunds to improvement authorizations	C-7	137,846
	C-4	<u>652,566</u>
		<u>3,422,120</u>
Decreased by disbursements		
Due from clearing account	C-4;C-6	<u>1,064,559</u>
Balance - December 31, 2021	C;C-3	<u><u>\$ 2,357,561</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, 2021	C-2	\$ 2,357,561
Increased by		
Receipts		<u>1,306,858</u>
		<u>3,664,419</u>
Decreased by		
Disbursements		<u>514,114</u>
Balance - June 30, 2022		<u><u>\$ 3,150,305</u></u>
Cash reconciliation - June 30, 2022		
Balance per statement		
Northfield Bank		<u><u>\$ 3,150,305</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash Activity

Description	Balance 12/31/20	Receipts	Disbursements	Transfers (From) To	Balance 12/31/21
Fund balance	\$ 17,968	\$ -	\$ -	\$ 420,705	\$ 438,673
Capital improvement fund	929,442	1,703	-	(430,000)	501,145
Due to current fund	-	500,000	-	(500,000)	-
Due to clearing account	-	-	1,064,559	1,064,559	-
Encumbrances payable	390,159	-	-	134,212	524,371
Reserve for capital projects	168,833	-	-	3,017	171,850
Improvement authorizations					
Preservation of farm land	223,380	16,775	-	(240,155)	-
Purchase of land for preservation	439,877	50,000	-	(149,265)	340,612
Improvement to Township buildings	99,815	-	-	(99,815)	-
Various building improvements	60,000	-	-	(38,637)	21,363
Acquisition of fire equipment	5,127	-	-	-	5,127
Acquisition of public works equipment	30,564	-	-	(12,537)	18,027
Improvements to various roads	47,006	-	-	(47,006)	-
Acquisition of RRCC equipment	45,610	-	-	-	45,610
Improvements to Bellis Road phase III	178,553	43,571	-	(222,124)	-
Mt Joy Road improvements	133,220	27,500	-	(160,720)	-
Acquisition of police equipment	-	-	-	16,593	16,593
Improvements to building	-	13,017	-	26,983	40,000
Mt Joy phase II road improvements	-	-	-	213,706	213,706
Various road improvements	-	-	-	20,484	20,484
Total	\$ 2,769,554	\$ 652,566	\$ 1,064,559	\$ -	\$ 2,357,561
<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, 2020	C		\$ -
Increased by			
Receipts	C-2		<u>500,000</u>
			500,000
Decreased by			
2021 municipal budget appropriations			
Purchase of an ambulance	C-10	\$ 15,000	
Purchase of a fire truck	C-10	50,000	
Building improvements	C-10	40,000	
DPW equipment	C-10	185,000	
Road improvements	C-10	150,000	
Police equipment	C-10	<u>60,000</u>	
			<u>500,000</u>
Balance - December 31, 2021	C		<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Due from Clearing Account

	<u>Ref.</u>		
Balance - December 31, 2020	C		\$ -
Increased by			
Disbursements	C-2		<u>1,064,559</u>
			1,064,559
Decreased by			
Improvement authorization charges	C-7	\$ 719,705	
Encumbrances payable	C-8	<u>344,854</u>	
			<u>1,064,559</u>
Balance - December 31, 2021	C		<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Improvement Authorizations

Improvement Description	Ordinance		Balance	2021	Paid or	Unexpended	Balance	Balance
	Date	Amount	12/31/20					
Preservation of farm land	05/07/13	\$ 550,000	\$ 223,380	\$ -	\$ 223,380	\$ -	\$ -	\$ -
Purchase of land for preservation	01/02/18	439,877	439,877	-	99,265	-	-	340,612
Improvement to Township buildings	04/02/19	140,000	99,815	-	99,815	-	-	-
Various building improvements	03/17/20	60,000	60,000	-	38,637	-	-	21,363
Acquisition of fire equipment	03/17/20	50,000	5,127	-	-	-	-	5,127
Acquisition of public works equipment	03/17/20	125,000	30,564	-	12,537	-	-	18,027
Improvements to various roads	03/17/20	150,000	47,006	-	47,006	-	-	-
Acquisition of RRCC equipment	04/21/20	50,000	45,610	-	-	-	-	45,610
Improvements to Bellis Road phase III	04/21/20	310,000	178,553	-	(60,510)	239,063	-	-
Mt Joy Road improvements	04/21/20	200,000	133,220	-	(48,422)	181,642	-	-
Purchase of ambulance	05/04/21	75,000	-	75,000	75,000	-	-	-
Police equipment	04/20/21	60,000	-	60,000	43,407	-	-	16,593
Building improvements	04/20/21	40,000	-	40,000	-	-	-	40,000
Building improvements/DPW/Library	08/17/21	200,000	-	200,000	200,000	-	-	-
Mt Joy phase II road improvements	04/20/21	230,000	-	230,000	16,294	-	-	213,706
Various public works equipment	04/20/21	185,000	-	185,000	185,000	-	-	-
Various road improvements	04/20/21	150,000	-	150,000	129,516	-	-	20,484
			<u>\$ 1,263,152</u>	<u>\$ 940,000</u>	<u>\$ 1,060,925</u>	<u>\$ 420,705</u>	<u>\$ 721,522</u>	
	<u>Ref.</u>		C	Below	Below	C-1	C	
Summary of 2021 authorizations								
Capital Improvement Fund	C-9			\$ 430,000				
Reserve for capital projects								
Purchase of an ambulance	C-10			75,000				
Building improvements	C-10			40,000				
DPW equipment	C-10			185,000				
Road improvements	C-10			150,000				
Police equipment	C-10			60,000				
				<u>\$ 940,000</u>				
Summary of paid or charged								
Receipts	C-2				\$ (137,846)			
Clearing account	C-6				719,705			
Prior year encumbrances canceled	C-8				(45,305)			
Encumbrances payable	C-8				524,371			
					<u>\$ 1,060,925</u>			

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Encumbrances

	<u>Ref.</u>	
Balance - December 31, 2020	C	\$ 390,159
Increased by		
Current year capital charges	C-7	524,371
		<u>914,530</u>
Decreased by		
Due to clearing account	C-6	\$ 344,854
Prior year balance canceled	C-7	45,305
		<u>390,159</u>
Balance - December 31, 2021	C	<u><u>\$ 524,371</u></u>

C-9

TOWNSHIP OF HOLLAND
Schedule of Capital Improvement Fund

	<u>Ref.</u>	
Balance - December 31, 2020	C	\$ 929,442
Increased by		
Refund of prior year expenditures	C-2	1,703
		<u>931,145</u>
Decreased by		
Appropriated to finance improvement authorizations	C-7	430,000
Balance - December 31, 2021	C	<u><u>\$ 501,145</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Reserve for Capital Projects

Improvement Description	Balance 12/31/20	Increased in 2021	Decreased in 2021	Balance 12/31/21
Park construction	\$ 32,138	\$ -	\$ -	\$ 32,138
Community center parking lot	200	-	-	200
Purchase of an ambulance	84,301	15,000	75,000	24,301
Purchase of a fire truck	52,194	50,000	-	102,194
Building improvements	-	53,017	40,000	13,017
DPW equipment	-	185,000	185,000	-
Road improvements	-	150,000	150,000	-
Police equipment	-	60,000	60,000	-
	<u>\$ 168,833</u>	<u>\$ 513,017</u>	<u>\$ 510,000</u>	<u>\$ 171,850</u>
<u>Ref.</u>	C	Below	C-7	C
Due from current fund	C-5	\$ 500,000		
Refund of prior year expenditures	C-2	<u>13,017</u>		
		<u>\$ 513,017</u>		

See independent auditors' report.

TOWNSHIP OF HOLLAND

COUNTY OF HUNTERDON

2021

SEWER UTILITY FUND

TOWNSHIP OF HOLLAND
Schedule of Cash - Treasurer
Sewer Utility Fund

	Ref.	Operating Fund	Capital Fund
Balance - December 31, 2020	D	\$ 247,025	\$ 172,541
Increased by receipts			
Interest on deposits	D-3	\$ 140	\$ -
Sewer collector	D-7	578,000	-
Due from sewer capital fund	D-11	181	125,000
Due to sewer operating fund	D-17	-	125,181
		<u>578,321</u>	<u>250,181</u>
		825,346	422,722
Decreased by disbursements			
Budget appropriations	D-4	399,858	-
Due from payroll account	D-9	4,484	-
Due from sewer capital	D-11	125,000	125,181
Appropriation reserves	D-14	61	-
Improvement authorizations	D-18	-	41
		<u>529,403</u>	<u>125,222</u>
Balance - December 31, 2021	D; D-6	<u>\$ 295,943</u>	<u>\$ 297,500</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, 2021	<u>D-5</u>	\$ 295,943	\$ 297,500
Increased by			
Receipts		<u>290,151</u>	<u>134,000</u>
		586,094	431,500
Decreased by			
Disbursements		<u>342,170</u>	<u>-</u>
Balance - June 30, 2022		<u>\$ 243,924</u>	<u>\$ 431,500</u>
Cash Reconciliation June 30, 2022			
Balance per statement			
Northfield Bank		<u>\$ 243,924</u>	<u>\$ 431,500</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Cash - Collector
Sewer Utility Fund

	<u>Ref.</u>	<u>Operating Fund</u>
Balance - December 31, 2020	D	\$ 26,041
Increased by receipts		
Interest and costs on sewer charges	D-3	\$ 2,406
Interest on deposits	D-3	71
Consumer accounts receivable	D-10	550,693
Sewer rent overpayments	D-15	2,982
Prepaid rents received	D-16	<u>2,915</u>
		<u>559,067</u>
		585,108
Decreased by		
Paid to sewer treasurer	D-5	<u>578,000</u>
Balance - December 31, 2021	D; D-8	<u><u>\$ 7,108</u></u>

D-8

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

	<u>Ref.</u>	
Balance - December 31, 2021	D-7	\$ 7,108
Increased by		
Receipts		<u>306,252</u>
		313,360
Decreased by		
Disbursements		<u>290,000</u>
Balance - June 30, 2022		<u><u>\$ 23,360</u></u>
Cash Reconciliation June 30, 2022		
Balance per statement		
Northfield Bank		\$ 13,010
Add: deposits in transit		<u>10,350</u>
Book balance		<u><u>\$ 23,360</u></u>

See independent auditors' report.

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

	Ref.	
Balance - December 31, 2020	D	\$ -
Increased by		
Disbursements	D-5	4,484
		4,484
Decreased by		
Budget charges	D-4	4,484
		4,484
Balance - December 31, 2021	D	\$ -

D-10

TOWNSHIP OF HOLLAND
Schedule of Consumer Accounts Receivable
Sewer Utility Fund

	Ref.	
Balance - December 31, 2020	D	\$ 35,331
Increased by		
User fees levied	Reserve	555,940
		591,271
Decreased by		
Collections	D-3; D-7	\$ 550,693
Balances canceled	Reserve	39
Overpayments applied	D-3; D-15	563
Prepayments applied	D-3; D-16	4,388
		555,683
Balance - December 31, 2021	D	\$ 35,588

See independent auditors' report.

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

	<u>Ref.</u>		
Balance - December 31, 2020	<u>D</u>		\$ -
Increased by			
Disbursements	D-5	\$ 125,000	
Interest earned	D-3	<u>181</u>	
			<u>125,181</u>
			125,181
Decreased by			
Current year budget appropriations			
Capital improvement fund	D-4	125,000	
Receipts	D-5	<u>181</u>	
			<u>125,181</u>
			125,181
Balance - December 31, 2021	D		<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
Schedule of Fixed Capital
Sewer Capital Fund

<u>Description</u>	<u>Ref.</u>	<u>Balance</u> <u>12/31/21</u>	<u>Balance</u> <u>12/31/20</u>
Sanitary sewer system		\$ 989,826	\$ 989,826
Replacement of the Gridley Circle Pump Station		<u>324,412</u>	<u>324,412</u>
	D	<u><u>\$ 1,314,238</u></u>	<u><u>\$ 1,314,238</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Fixed Capital Authorized and Uncompleted
Sewer Capital Fund
For the Year Ended December 31, 2021

Purpose	Ordinance		Balance	Authorizations	Decreased	Balance
	Date	Amount	12/31/20			12/31/21
Improvement and repairs to the sewer lines	10/03/17	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ 90,000
Improvement and repairs to the sewer lines	03/17/20	60,000	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
			<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</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, 2021

	Balance 12/31/20	Balance After Transfer	Expended	Balance Lapsed
Operating				
Salaries and wages	\$ 755	\$ 755	\$ -	\$ 755
Other expenses	16,703	16,703	61	16,642
Contribution to Milford Sewer	63,848	63,848	-	63,848
Statutory expenditures				
Contribution to Social Security system	1,175	1,175	-	1,175
	<u>\$ 82,481</u>	<u>\$ 82,481</u>	<u>\$ 61</u>	<u>\$ 82,420</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

	<u>Ref.</u>	
Balance - December 31, 2020	D	\$ 754
Increased by		
Overpayments received	D-7	<u>2,982</u>
		3,736
Decreased by		
Applied to 2021 sewer rents	D-10	<u>563</u>
Balance - December 31, 2021	D	<u><u>\$ 3,173</u></u>

TOWNSHIP OF HOLLAND
Schedule of Prepaid Sewer Rents
Sewer Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2020	D	\$ 4,388
Increased by		
Prepayments received	D-7	<u>2,915</u>
		7,303
Decreased by		
Applied to consumer accounts receivable	D-10	<u>4,388</u>
Balance - December 31, 2021	D	<u><u>\$ 2,915</u></u>

See independent auditors' report.

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

	<u>Ref.</u>		
Balance - December 31, 2020	<u>D</u>		\$ -
Increased by			
Receipts	D-5	\$ 125,000	
Interest earned	D-5	<u>181</u>	
			<u>125,181</u>
			125,181
Decreased by			
Budget appropriation	D-19	125,000	
Disbursements	D-5	<u>181</u>	
			<u>125,181</u>
Balance - December 31, 2021	D		<u><u>\$ -</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Improvement Authorizations
Sewer Capital Fund

Improvement Description	Ordinance		12/31/20		2021	Paid or	Balance	12/31/21	
	Date	Amount	Funded	Unfunded	Authorization	Charged	Canceled	Funded	Unfunded
Improvement and repairs to the sewer lines	10/03/17	\$ 90,000	\$ 35,264	\$ -	\$ -	\$ 41	\$ -	\$ 35,223	\$ -
Improvement and repairs to the sewer lines	03/17/20	60,000	60,000	-	-	-	-	60,000	-
			<u>\$ 95,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 95,223</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

	<u>Ref.</u>	
Balance - December 31, 2020	D	\$ 1,545
Increased by		
Current year budget appropriation	D-17	<u>125,000</u>
Balance - December 31, 2021	D	<u><u>\$ 126,545</u></u>

D-20

TOWNSHIP OF HOLLAND
Schedule of Reserve for Amortization
Sewer Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>\$ 1,389,826</u>
Balance - December 31, 2021	D	<u><u>\$ 1,389,826</u></u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2021
Sewer Capital Fund

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance 12/31/20</u>	<u>Improvements Authorized in 12/31/21</u>	<u>Current Year Budget Appropriation</u>	<u>Balance 12/31/21</u>
Improvement and repairs to the sewer lines	10/03/17	\$ 90,000	\$ -	\$ -	\$ 90,000
Improvement and repairs to the sewer lines	03/17/20	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
		<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
	<u>Ref.</u>	D			D

See independent auditors' report.

TOWNSHIP OF HOLLAND
PART II
STATISTICAL DATA
INSURANCE SCHEDULE

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)

	2021		2020	
	Amount	%	Amount	%
<u>Revenue and other Income Realized</u>				
Fund balance utilized	\$ 900,000	3.76	\$ 800,000	3.57
Miscellaneous - from other than local property tax levied	4,404,943	18.39	3,571,192	15.95
Collection of delinquent taxes and tax title liens	271,060	1.13	232,558	1.04
Collection of current tax levy	<u>18,381,070</u>	<u>76.72</u>	<u>17,786,188</u>	<u>79.44</u>
Total income	<u>23,957,073</u>	<u>100.00</u>	<u>22,389,938</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget expenditures				
Municipal purposes	5,179,379	22.73	5,205,601	23.40
County taxes	2,618,313	11.49	2,617,459	11.77
Local school taxes	10,146,328	44.52	9,669,135	43.46
Regional school taxes	4,844,909	21.26	4,753,424	21.37
Other debits to income	<u>750</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total expenditures	<u>22,789,679</u>	<u>100.00</u>	<u>22,246,119</u>	<u>100.00</u>
Regulatory excess to fund balance	1,167,394		143,819	
<u>Fund Balance</u>				
Fund balance - January 1,	<u>2,505,062</u>		<u>3,161,243</u>	
	3,672,456		3,305,062	
Less: utilization as anticipated revenue	<u>900,000</u>		<u>800,000</u>	
Fund balance - December 31,	<u>\$ 2,772,456</u>		<u>\$ 2,505,062</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)

	2021		2020	
	Amount	%	Amount	%
<u>Revenue and other Income Realized</u>				
Fund balance utilized	\$ 50,000	7.24	\$ 70,000	10.02
Miscellaneous - from other than sewer service charges	85,218	12.34	82,476	11.81
Collection of sewer service charges	<u>555,644</u>	<u>80.42</u>	<u>545,802</u>	<u>78.17</u>
Total income	<u>690,862</u>	<u>100.00</u>	<u>698,278</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget expenditures				
Operating	464,000	78.64	468,500	76.86
Capital improvements	125,000	21.19	38,000	6.23
Debt service	-	-	101,550	16.66
Deferred charges and statutory expenditures	<u>1,000</u>	<u>0.17</u>	<u>1,500</u>	<u>0.25</u>
Total expenditures	<u>590,000</u>	<u>100.00</u>	<u>609,550</u>	<u>100.00</u>
Regulatory excess to fund balance	100,862		88,728	
<u>Fund Balance</u>				
Fund balance - January 1,	<u>185,443</u>		<u>166,715</u>	
	286,305		255,443	
Less: utilization as anticipated revenue	<u>50,000</u>		<u>70,000</u>	
Fund balance - December 31,	<u>\$ 236,305</u>		<u>\$ 185,443</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	
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
2013	-	0.33	1.11	0.51	1.95
2012	-	0.35	1.08	0.52	1.95

* 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
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%
2013	763,875,389	691,448,812	110.47%
2012	767,128,401	746,069,777	102.82%

* 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
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%
2013	14,846,969	14,461,715	97.41%
2012	14,931,139	14,704,177	98.48%

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.

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

ASSESSED VALUES DISTRIBUTION

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property
2012	\$ 11,043,000	\$ 646,768,800	\$ 409,900	\$ 16,745,200	\$ 77,067,200	\$ 13,145,500	\$ 765,179,600
2013	10,255,300	643,244,500	409,900	16,745,200	78,403,100	13,145,500	762,203,500
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

* 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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	\$ 373,879	\$ 176,231	\$ 550,110	3.68%
2013	91,392	228,425	319,817	2.15%
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%

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>
2021	\$ 5,700
2020	5,700
2019	5,700
2018	139,300
2017	139,300
2016	139,300
2015	194,300
2014	359,300
2013	424,300
2012	None

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current fund	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
	2013	2,681,841	1,346,453
	2012	3,621,364	1,807,654

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data (continued)
(Unaudited)

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>December 31,</u>	<u>Amount</u>	<u>Utilized in Budget of Succeeding Year</u>
Sewer utility	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
	2013	79,780	35,200
	2012	86,141	50,000

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Debt Incurring Capacity as of December 31, 2021
(Unaudited)

Municipal

1. Equalized valuations of real property (2021, 2020, 2019)	\$ 703,798,940
2 Permitted municipal debt limitation (3.5% of \$703,798,940)	24,632,963
3 Net debt issued, outstanding and authorized	-
4 Excess school borrowing	-
5 Total charges to borrowing margin	-
6 Remaining municipal borrowing capacity	\$ 24,632,963

Local school district

1. Permitted school district debt limitation (3.0% of \$703,798,940)	\$ 21,113,968
2 Debt issued, outstanding and authorized	-
3 Remaining municipal borrowing capacity	\$ 21,113,968

Gross & statutory net debt as of December 31,

Year	Gross Debt Amount	Statutory Net Debt	
		Amount	Percentage
2021	\$ -	\$ -	0.00%
2020	-	-	0.00%
2019	100,000	100,000	0.00%
2018	350,787	-	0.04%
2017	552,011	250,000	0.05%
2016	749,093	300,000	0.08%
2015	1,096,956	500,000	0.00%
2014	1,265,488	-	0.00%
2013	1,420,847	-	0.02%
2012	1,206,901	155,492	0.03%

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Statement of Indebtedness as of December 31, 2021
(Unaudited)

General purposes			
Bonds, notes and loans issued and outstanding			
Bonds	\$	-	
Notes		-	
Bonds and notes authorized but not issued		-	
		-	\$ -
Sewer utility purposes			
Bonds, notes and loans issued and outstanding			
Bonds		-	
Notes		-	
Bonds and notes authorized but not issued		-	
		-	-
Local school district			
Bonds, notes and loans issued and outstanding			
Bonds		-	
Notes		-	
Bonds and notes authorized but not issued		-	
		-	-
Regional school district			
Bonds, notes and loans issued and outstanding			
Bonds		-	
Notes		-	
Bonds and notes authorized but not issued		-	
		-	-
Total gross debt			-
Statutory deductions			
Municipal		-	
Local school district		-	
Regional school district		-	
		-	-
Total net debt			\$ -
Overlapping debt as of December 31, 2021	Debt	Estimated %	
	Outstanding	Applicable	
Local school district debt	\$ -	100.00%	\$ -
Regional school district debt	-	28.74%	-
County debt	96,226,693	3.17%	3,048,110
			\$ 3,048,110

See independent auditors' report.

TOWNSHIP OF HOLLAND
Statistical Data
Statement of Indebtedness as of December 31, 2021 (continued)
(Unaudited)

	<u>Year</u>	<u>Assessed Valuation</u>	<u>Amount</u>
Gross debt			
Per capita (population 2020 census - 5,291)			
Percent of average equalized valuation basis	2021	\$ 703,798,940	0.00%
Percent of net valuation taxable	2021	628,580,989	0.00%
Net municipal debt			-
Per capita (population 2020 census - 5,291)			-
Percent of average equalized valuation basis	2021	703,798,940	0.00%
Percent of net valuation taxable	2021	628,580,989	0.00%
Overall debt			3,048,110
Per capita (population 2020 census - 5,291)			595
Percent of average equalized valuation basis	2021	703,798,940	0.43%
Percent of net valuation taxable	2021	628,580,989	0.48%

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Insurance
For the Year Ended December 31, 2021 (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
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

Adequacy of insurance coverage is the responsibility of the Municipality.

See independent auditors' report.

TOWNSHIP OF HOLLAND

PART III

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING**

SCHEDULE OF FINDINGS AND RESPONSES

**SCHEDULE OF EXPENDITURES OF FEDERAL
FINANCIAL ASSISTANCE**

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE**

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

LIST OF OFFICIALS

GENERAL COMMENTS

ACKNOWLEDGEMENTS



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, 2021, and the related notes to the financial statements, which comprise the Township of Holland's financial statements, and have issued our report thereon dated August 17, 2022. 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 2021-01 that we consider a significant deficiency. However, material weaknesses or significant deficiencies may exist that were not identified.

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



William M. Colantano
Certified Public Accountant
Registered Municipal Accountant

August 17, 2022
Flemington, New Jersey

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.

Finding 2021-01

Type: Internal control over financial reporting.

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

Condition: The Municipality has not 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.

Views of Responsible Officials and Planned Corrective Action (unaudited): The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on prior year recommendations. Although partially corrected, recommendation 2020-01 as summarized below is repeated above as finding 2021-01:

2020-01 The Municipality should ensure that procedures are in place to collect the funds receivable for applicable projects.

TOWNSHIP OF HOLLAND
Schedule of Expenditures of Federal Financial Assistance
For the Year Ended December 31, 2021

Grant Award Program	CFDA	Project Number	Award Amount	Grant Period		Balance 12/31/20	Receipts	Expended	Balance 12/31/21	Memo
				From	To					Cumulative Expenditures
Passed-through from federal bureau of justice statistics										
National crime statistics exchange program through NJ Department of law and public safety	Not Available	Not available	\$ 49,851	Ongoing		\$ (27,022)	\$ 49,851	\$ 22,829	\$ -	\$ 49,851
U.S. Department of Treasury American rescue plan	21.027	Not available	266,748	03/03/21	12/31/24	-	266,748	-	266,748	-
Total federal financial assistance						<u>\$ (27,022)</u>	<u>\$ 316,599</u>	<u>\$ 22,829</u>	<u>\$ 266,748</u>	<u>\$ 49,851</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Expenditures of State and Local Financial Assistance
For the Year Ended December 31, 2021

Grant Award Program	Project Number	Award Amount	Grant Period		Balance 12/31/20	Receipts	Expended	Adjustment	Balance 12/31/21	Memo
			From	To						Cumulative Expenditures
State financial assistance										
Clean Communities Program	765-042-4900-004	\$ 16,601	01/01/20	12/31/20	\$ 2,097	\$ -	\$ 2,097	\$ -	\$ -	\$ 16,601
Clean Communities Program	765-042-4900-004	17,658	01/01/21	12/31/21	-	17,658	17,658	-	-	17,658
Recycling tonnage grant	752-042-4900-001	5,752	01/01/21	12/31/21	-	5,752	5,752	-	-	5,752
NJ body armor	066-1020-718-001	1,046	01/01/19	12/31/19	699	-	699	-	-	1,046
NJ body armor	066-1020-718-001	1,088	01/01/20	12/31/20	1,088	-	81	-	1,007	81
NJ body armor	066-1020-718-001	930	01/01/21	12/31/21	-	930	-	-	930	-
Highlands grant second	Not available	174,100	Ongoing		(20,333)	14,815	1,958	(5,098)	(12,574)	86,235
Highlands grant special	Not available	25,000	Ongoing		(468)	-	-	-	(468)	6,516
Highlands grant special	Not available	5,122	Ongoing		(5,098)	-	-	5,098	-	-
Highlands grant amended plan confirmation	Not available	15,000	Ongoing		(15,000)	15,000	-	-	-	15,000
Highlands grant task 13	Not available	5,000	Ongoing		(4,242)	-	-	-	(4,242)	4,242
Small cities grant program	Not available	30,000	01/01/18	12/31/18	(15,000)	15,000	-	-	-	30,000
Community forestry grant	Not available	10,000	01/01/19	12/31/19	-	-	10,000	-	(10,000)	10,000
NJ Dept. of Transportation aid - improvements to Bellis Road phase III	Not available	150,000	01/01/20	12/31/20	(18,947)	112,500	93,553	-	-	150,000
NJ Dept. of Transportation aid - improvements to Mt. Joy Road	Not available	110,000	01/01/20	12/31/20	15,720	27,500	43,220	-	-	110,000
Total state financial assistance					<u>(59,484)</u>	<u>209,155</u>	<u>175,018</u>	<u>-</u>	<u>(25,347)</u>	<u>453,131</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Schedule of Expenditures of State and Local Financial Assistance
For the Year Ended December 31, 2021

Grant	Project Number	Award Amount	Grant Period		Balance 12/31/20	Receipts	Expended	Adjustment	Balance 12/31/21	Memo
			From	To						Cumulative Expenditures
Local financial assistance										
Historical Commission Grant	Not available	\$ 75,000	01/01/17	12/31/17	\$ (25,000)	\$ 25,000	\$ -	\$ -	\$ -	\$ 75,000
Historical Commission Grant	Not available	75,000	01/01/19	12/31/19	2,220	12,500	14,720	-	-	50,000
Hunterdon County Emergency Management 2013 EMMA	Not available	5,000	Ongoing		5,000	-	-	-	5,000	-
Hunterdon County Emergency Management grant	Not available	5,000	Ongoing		5,000	-	-	-	5,000	-
Hunterdon County Emergency Management grant - EMAA	Not available	10,000	Ongoing		-	10,000	10,000	-	-	10,000
Hunterdon County Emergency Management grant	Not available	10,000	Ongoing		-	10,000	-	-	10,000	-
Hunterdon County Economic Development grant	Not available	5,850	Ongoing		-	3,269	4,151	-	(882)	4,151
Hunterdon County COVID - 19 grant	Not available	2,039	Ongoing		-	2,039	2,039	-	-	2,039
Total local financial assistance					<u>(12,780)</u>	<u>62,808</u>	<u>30,910</u>	<u>-</u>	<u>19,118</u>	<u>141,190</u>
Total state and local financial assistance					<u>\$ (72,264)</u>	<u>\$ 271,963</u>	<u>\$ 205,928</u>	<u>\$ -</u>	<u>\$ (6,229)</u>	<u>\$ 594,321</u>

See independent auditors' report.

TOWNSHIP OF HOLLAND
Notes to the Schedules of Expenditures of Federal, State, and Local Financial Assistance
For the Year Ended December 31, 2021

Note 1 - General

The accompanying Schedule of Expenditures of Federal Financial Assistance and Schedule of Expenditures of State and Local Financial Assistance (the Schedules) present the activity of all Federal, State and Local Financial Award Programs of the Township of Holland, County of Hunterdon, State of New Jersey (the Municipality) for the year ended December 31, 2021.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Financial Assistance 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, state and local awards are reported in the Municipality's financial statements as follows:

Fund	Federal	State	Local
General Capital Fund	\$ -	\$ 136,773	\$ -
Grant Fund	22,829	38,245	30,910
Total	\$ 22,829	\$ 175,018	\$ 30,910

Note 4 - Indirect costs

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

TOWNSHIP OF HOLLAND
List of Officials

Officials in Office and Surety Bonds

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

Name	Title
Daniel Bush	Mayor
Raymond Krov	Deputy Mayor
Lisa Pezzano-Mickey	Committeeperson
Robert Thurgarland	Committeeperson
Scott Wilhelm	Committeeperson

* * * * *

Name	Title
Catherine Miller	Municipal Clerk
Margaret Pasqua	Treasurer & Chief Financial Officer
Kris Boxwell (to July 2021)	Tax and Sewer Collector
AnnMarie Silva (from July 2021)	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	Road Improvements
Animal Control Services	Finance Office Shared Services
Storm Sewer Project	Library and Department of Public Works
	Building Roof Repairs

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
Health Benefits Advisors	Land Surveying Services
Municipal Prosecutor	Public Defender

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 5, 2021, 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 2021 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>
2021	5
2020	6
2019	3

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.

TOWNSHIP OF HOLLAND
Acknowledgements

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



William M. Colantano, Jr.
Certified Public Accountant
Registered Municipal Accountant