

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2022

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Mount Holly
County of Burlington
Mount Holly, New Jersey 08060

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Mount Holly, County of Burlington, State of New Jersey (the “Township”), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective regulatory basis financial position of the Township as of December 31, 2022, and the respective regulatory changes in financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2022, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 misstatement, whether due to fraud or error.

Auditors' 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 auditors' report that includes our opinion. 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 GAAS as well as the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township'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.

Report on Summarized Comparative Information

We have previously audited the Township's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2022, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental schedules, as listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplemental schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the other supplementary information, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. 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.

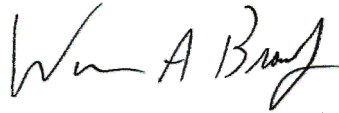
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



Warren A. Broudy, CPA, RMA, CGFM, PSA, CGMA, CMFO
Registered Municipal Accountant
License No. 554

September 28, 2023

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2022 and 2021

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Cash:			
Chief Financial Officer	A-4	\$ 3,833,140	\$ 3,242,879
Change Fund	A	750	750
Total Regular Fund		<u>3,833,890</u>	<u>3,243,629</u>
Due from State of New Jersey for Senior Citizen & Veteran Deductions		<u>4,365</u>	<u>7,686</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	20,486	10,918
Tax Title Liens Receivable	A-6	344,257	285,943
Property Acquired for Taxes - Assessed Valuation	A-7	490,055	490,055
Prepaid Fire District Taxes	A	-	798
Property Maintenance Receivable	A-8	12,679	5,136
Revenue Accounts Receivable	A-9	3,416	5,667
Interfunds Receivable:			
Due from State and Federal Grants	A	29,483	50,210
Due from Animal Control Fund	B	847	2,716
Due from Trust Other	B	1,800	21,101
Due from Payroll Fund	D	11,114	-
Due from General Capital Fund	C	-	2,775
Total Receivables & Other Assets With Full Reserves	A	<u>914,137</u>	<u>875,319</u>
Subtotal		<u>4,752,392</u>	<u>4,126,634</u>
Federal & State Grant Fund:			
Cash	A-4	524,109	705,459
Federal & State Aid Receivable	A-13	2,063,661	1,915,799
Total Federal & State Grant Fund		<u>2,587,770</u>	<u>2,621,258</u>
Total Assets		<u>\$ 7,340,162</u>	<u>\$ 6,747,892</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
(CONTINUED)**

December 31, 2022 and 2021

<u>LIABILITIES, RESERVES & FUND BALANCE</u>	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 396,031	\$ 390,950
Reserve for Encumbrances	A-3	448,965	125,363
Accounts Payable	A		35,737
Prepaid Taxes	A	124,549	142,028
Tax Overpayments	A	7,267	6,406
Due County for Added & Omitted Taxes	A-5	37,015	6,384
Local School Taxes Payable	A-11	1	1
Regional School Taxes Payable	A-12	5	5
Due to State of New Jersey - Marriage License Fees	A	675	1,875
Due to Mount Holly MUA	A	3,110	4,303
Interfunds Payable:			
Due to Trust Fund	B		
Due to Capital Fund	C	2,682	
Due to Payroll Fund			1,606
Reserve for Municipal Relief Funds	A	79,212	
Reserve for Master Plan	A	15,513	15,513
Reserve for Flood	A	6	6
Total Liabilities		<u>1,115,031</u>	<u>730,177</u>
Reserves for Receivables & Other Assets	A	914,137	875,319
Fund Balance	A-1	<u>2,723,224</u>	<u>2,521,138</u>
Subtotal		<u>4,752,392</u>	<u>4,126,634</u>
Federal & State Grant Fund:			
Reserve for Encumbrances	A-14	119,410	232,261
Appropriated Reserves	A-14	1,914,330	1,714,737
Unappropriated Reserves	A-15	524,547	624,050
Due to Current Fund	A	29,483	50,210
Total Federal & State Grant Fund		<u>2,587,770</u>	<u>2,621,258</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 7,340,162</u>	<u>\$ 6,747,892</u>

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2022 and 2021

	2022	2021
<u>REVENUE & OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 640,000	\$ 550,000
Miscellaneous Revenue Anticipated	5,239,937	4,436,454
Receipts from Delinquent Taxes	56,077	25,937
Receipts from Current Taxes	21,235,171	20,717,145
Nonbudget Revenue	39,819	955,497
Other Credits to Income:		
Statutory Excess in Dog Licenses	518	2,463
Unexpended Balance of Appropriation Reserves	257,139	712,405
Interfund Liquidated	20,678	358,552
Prior Year Accounts Payable Canceled	35,737	-
	<u>27,525,076</u>	<u>27,758,453</u>
Total Revenue & Other Income Realized		
<u>EXPENDITURES</u>		
Budget & Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	3,710,838	4,012,159
Other Expenses	4,366,002	3,594,842
Deferred Charges & Statutory Expenditures	1,075,978	1,023,898
Operations Excluded from "CAPS":		
Salaries and Wages	306,471	326,508
Other Expenses	217,799	239,507
Capital Improvements	125,000	97,000
Municipal Debt Service	1,316,139	1,230,234
Transferred to Board of Education	67,998	67,998
County Taxes	2,629,089	2,640,917
Due County for Added & Omitted	37,015	6,384
Local District School Tax	8,715,041	8,744,427
Regional High School Taxes	2,891,809	2,790,987
Special Fire District Taxes	1,217,360	1,155,384
Senior Citizens' & Veterans' Deductions Disallowed	6,451	7,782
	<u>26,682,990</u>	<u>25,938,027</u>
Total Expenditures		
Excess in Revenue to Fund Balance	<u>842,086</u>	<u>1,820,426</u>
Fund Balance - January 1	2,521,138	1,250,712
Decreased by: Utilization as Anticipated Revenue	<u>640,000</u>	<u>550,000</u>
Balance December 31	<u>\$ 2,723,224</u>	<u>\$ 2,521,138</u>

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2022

	ANTICIPATED BUDGET	SPECIAL N.J.S.A. 40:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 640,000	\$ -	\$ 640,000	\$ -
MISCELLANEOUS REVENUES				
Licenses - Alcoholic Beverages	22,750		22,876	126
Licenses - Other	5,000		5,225	225
Fees & Permits	210,000		226,189	16,189
Municipal Court Fines & Costs	90,000		65,699	(24,301)
Interest & Costs on Taxes	65,000		87,426	22,426
Interest on Investments & Deposits	75,000		71,817	(3,183)
Housing Inspection Fees	107,750		89,275	(18,475)
Consolidated Municipal Property Tax Relief	1,721		1,721	
Energy Receipts Tax	1,516,810		1,516,810	
Neighborhood Preservation Program	125,000		125,000	
NJ Economic Development Authority Urban Enterprise Zone NJDOT Grant	306,471		306,471	
Statewide Insurance Fund Safety Grant It Pays to Plug In Safe and Secure Communities Grant State Body Worn Camera				
Clean Communities Grant		20,395	20,395	
USDA Community Facility Grant		25,200	25,200	
Recycling Tonnage Grant	11,915		11,915	
Community Development Block Grant Body Armor Grant ROID Grant				
County Historic Grant	3,543		3,543	
American Recovery Plan	499,635		499,635	
State Rental of Parking Lots	13,296		10,105	(3,191)
Construction Code Office - Indirect Costs	21,000		21,000	
Mt. Holly Memorial Health Alliance	345,000		389,798	44,798
County Rental of Parking Lots	98,203		98,203	
Payment in Lieu of Taxes:				
Mt. Holly Sewerage Authority	408,000		408,000	
West Rancocas	110,000		125,627	15,627
Senior Housing	15,000		15,216	216
Legacy/Children's Home	30,000		30,000	
Regency Park	160,000		174,790	14,790
Fermeer	400,000		528,437	128,437

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2022

	ANTICIPATED BUDGET	SPECIAL N.J.S.A. 40:4-87	REALIZED	EXCESS OR (DEFICIT)
MISCELLANEOUS REVENUES				
Service Contract - Mt. Holly MUA	30,000		30,000	
Rent - 14 King Street	40,000		40,000	
Contribution from Rancocas Valley Regional High School	111,750		111,750	
Contribution from Mt. Holly BOE	75,866		75,886	20
Cable TV Franchise Fee	101,927		101,928	1
Total	5,000,637	45,595	5,239,937	193,705
Receipts from Delinquent Taxes	7,000		56,077	49,077
Amount to be Raised by Support of Municipal Budget	5,640,612		5,892,464	251,852
Budget Totals	11,288,249	45,595	11,828,478	\$ 494,634
Nonbudget Revenues			39,819	
TOTAL REVENUES	\$ 11,288,249	\$ 45,595	\$ 11,868,297	

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2022

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 21,235,171
Allocated to School, County & Fire District Taxes	<u>15,490,314</u>
Balance for Support of Municipal Budget Appropriations	5,744,857
Increased by Appropriation - Reserve for Uncollected Taxes	<u>147,607</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 5,892,464</u>
Receipts from Delinquent Taxes:	
Taxes Receivable	\$ 8,610
Tax Title Lien Receivable	<u>47,467</u>
Total	<u>\$ 56,077</u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues not Anticipated:	
Police Fees	\$ 8,260
Street Openings	3,847
State DMV Fees	250
Pilot Payments	1,000
Senior Citizens' & Veterans' Administrative Fee	1,307
Tax Search Fees	270
Sale of Vehicles	3,000
Refunds	15,230
Miscellaneous	<u>6,655</u>
Total	<u>\$ 39,819</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2022

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
General Government:						
Administrative & Executive:						
Salaries and Wages	\$ 158,000	\$ 158,000	\$ 157,910	\$ 90	\$ -	\$ -
Other Expenses	152,500	152,500	143,970	8,530		
Mayor and Council:						
Salaries and Wages	22,500	22,875	22,875			
Other Expenses	500	500	356	144		
Township Clerk:						
Salaries and Wages	115,602	110,602	109,600	1,002		
Other Expenses	34,000	34,000	33,944	56		
Financial Administration:						
Salaries and Wages	101,595	91,595	86,497	5,098		
Other Expenses	36,350	36,350	30,507	5,843		
Audit Services	38,000	38,000	38,000			
Revenue Administration (Tax Collection):						
Salaries and Wages	173,600	158,600	140,574	18,026		
Other Expenses	27,000	27,000	19,001	7,999		
Assessment of Taxes:						
Salaries and Wages	17,230	17,230	16,567	663		
Other Expenses	26,900	6,900	3,745	3,155		
Legal Services & Costs:						
Other Expenses	210,000	202,000	161,814	40,186		
Engineering Services & Costs:						
Other Expenses	406,500	406,500	355,550	50,950		
Historical Preservation Committee:						
Other Expenses	3,000	3,000	900	2,100		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	13,200	13,200	12,039	1,161		
Other Expenses	12,950	12,950	5,372	7,578		
Code Enforcement and Administration:						
Inspection of Housing:						
Salaries and Wages	133,801	133,801	128,710	5,091		
Other Expenses	1,500	1,500	1,365	135		
Insurance:						
Employee Group Health Insurance	783,013	838,013	796,417	41,596		
General Liability Insurance	186,023	176,023	167,632	8,391		
Workers Compensation	208,346	208,346	207,117	1,229		
Medical Waiver	7,285	7,285	3,397	3,888		
Public Safety:						
Police:						
Salaries & Wages	2,209,358	2,149,358	2,082,804	66,554		
Salaries & Wages - ARP	499,635	499,635	499,635	-		
Other Expenses	168,950	168,950	148,151	20,799		
Emergency Management:						
Other Expenses	1,500	1,500		1,500		
Public Works Functions:						
Streets & Road Maintenance:						
Salaries & Wages	579,077	569,077	559,817	9,260		
Other Expenses	99,700	99,700	99,622	78		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - Within "CAPS"						
Public Works Functions (continued):						
Public Buildings & Grounds:						
Salaries & Wages	12,500	12,500	10,240	2,260	-	-
Other Expenses	15,000	18,500	18,459	41		
Vehicle Maintenance:						
Other Expenses	45,000	65,525	61,933	3,592		
Health & Welfare:						
Animal Control Services:						
Other Expenses	12,000	12,000	12,000			
Community Drug Alliance Program:						
Other Expenses	2,200	2,200		2,200		
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries & Wages	71,000	71,000	66,362	4,638		
Other Expenses	3,000	3,000	1,559	1,441		
Celebration of Public Events:						
Other Expenses	20,000	20,000	20,000			
Municipal Court:						
Municipal Court:						
Salaries and Wages	181,000	181,000	180,372	628		
Other Expenses	12,750	12,750	9,803	2,947		
Municipal Prosecutor:						
Salaries and Wages	22,000	22,000	22,000			
Public Defender:						
Other Expenses - Contractual	525	525		525		
Utility Expenses & Bulk Purchase:						
Electricity	40,000	40,000	33,176	6,824		
Street Lighting	225,000	225,000	225,000			
Telecommunication Costs	45,000	47,100	46,488	612		
Water	6,500	7,500	7,385	115		
Gasoline	75,000	95,000	84,109	10,891		
Landfill/Solid Waste:						
Garbage & Trash Removal:						
Other Expenses	512,750	532,750	515,689	17,061		
Sanitary Landfill:						
Contractual	340,000	352,000	322,502	29,498		
Unclassified:						
Accumulated Absences	10,000	10,000	10,000			
Contingency	1,500	1,500	1,500			
Total Operations Within "CAPS"	8,080,340	8,076,840	7,682,465	394,375		
Total Operations Including Contingent Within "CAPS"	8,080,340	8,076,840	7,682,465	394,375		
Detail:						
Salaries and Wages	3,810,463	3,710,838	3,596,367	114,471		
Other Expenses (Including Contingent)	4,269,877	4,366,002	4,086,098	279,904		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - Within "CAPS"						
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Public Employees Retirement System	230,270	230,270	230,270			
Police & Fire Pension Fund	659,708	659,708	659,708			
Social Security System (O.A.S.I.)	165,000	167,000	166,460	540		
DCRP	2,500	4,000	3,896	104		
Unemployment Fund	15,000	15,000	14,727	273		
Total Deferred Charges & Statutory Expenditures	1,072,478	1,075,978	1,075,061	917		
Total General Appropriations for Municipal Purposes Within "CAPS"	9,152,818	9,152,818	8,757,526	395,292		
Mandated Expenditures Excluded from "CAPS": Other Operations - Excluded from "CAPS"						
Shared Service Agreements	27,500	27,500	26,761	739		
Total Shared Services Agreements	27,500	27,500	26,761	739		
Public and Private Programs Offset by Revenues:						
Supplemental Fire Services	4,246	4,246	4,246			
Clean Communities Program	-	20,395	20,395			
NJ DOT - Levis Drive	306,471	306,471	306,471			
Neighborhood Preservation	125,000	125,000	125,000			
Burlington County Parks Grant	3,543	3,543	3,543			
Recycling Tonnage Grant	11,915	11,915	11,915			
Community Facility Grant	-	25,200	25,200			
Total Operations Excluded from "CAPS"	478,675	524,270	523,531	739		
Detail:						
Salary and Wages	306,471	306,471	306,471			
Other Expenses	172,204	217,799	217,060	739		
Capital Improvements Excluded from "CAPS"						
Capital Improvements:						
Public Works Equipment	125,000	125,000	125,000			
Total Capital Improvement Excluded "CAPS"	125,000	125,000	125,000			

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2022

OPERATIONS - Excluded from "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Municipal Debt Service:						
Payment of Bond Principal	820,000	820,000	820,000			
Interest on Bonds	456,071	456,071	456,071			
Payment of Bond Anticipation Notes	36,000	36,000	36,000			
Interest on Notes	4,080	4,080	4,068		12	
Total Municipal Debt Service	1,316,151	1,316,151	1,316,139		12	
Total General Appropriations - Municipal Purposes - Excluded from "CAPS"	1,919,826	1,965,421	1,964,670	739	12	
Subtotal General Appropriation Items	11,072,644	11,118,239	10,722,196	396,031	12	
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17 & 17.3)	67,998	67,998	67,998			
Reserve for Uncollected Taxes	147,607	147,607	147,607			
Total General Appropriations	\$ 11,288,249	\$ 11,333,844	\$ 10,937,801	\$ 396,031	\$ 12	\$ -
Budget		\$ 11,288,249				
Appropriation by 40A:4-87		45,595				
Total		\$ 11,333,844				
Deferred Charges:						
Reserve for Uncollected Taxes			\$ 147,607			
Federal and State Grant Funds			492,524			
Encumbrances			448,965			
Refunds			(573,045)			
Disbursed			10,421,750			
Total			\$ 10,937,801			

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2022 and 2021

	REFERENCE	2022	2021
<u>ASSETS</u>			
Dog License Fund:			
Cash - Chief Financial Officer	B-1	\$ 9,452	\$ 12,122
Total Dog License Fund		<u>9,452</u>	<u>12,122</u>
Other Funds:			
Cash - Chief Financial Officer	B-1	2,279,969	2,859,524
Forgivable Mortgage Receivable	B	<u>620,000</u>	<u>669,053</u>
Total Other Funds		<u>2,899,969</u>	<u>3,528,577</u>
Total Assets		<u>\$ 2,909,421</u>	<u>\$ 3,540,699</u>
<u>LIABILITIES & RESERVES</u>			
Dog License Fund:			
Due to Current Fund	A	\$ 847	\$ 2,716
Due to State of New Jersey	B-6	312	312
Reserve for Dog Fund Expenditures	B-2	<u>8,293</u>	<u>9,094</u>
Total Dog License Fund		<u>9,452</u>	<u>12,122</u>
Other Funds:			
Due to Current Fund	B-7	1,800	21,101
Due to State of New Jersey		2,892	26,270
Reserve for:			
Forgivable Mortgage Receivable	B	620,000	669,053
Tax Sale Premiums	B-4	1,034,300	1,506,100
Recreation Commission Funds	B-8	31,277	29,520
Law Enforcement Trust Fund	B-8	17,178	14,676
Federal & State Grants	B-8	65,756	31,556
Builder's Escrow	B-8	174,802	197,093
Recycling Program	B-8	8,567	8,897
Uniform Construction Code	B-5	311,614	364,215
Outside Police Services	B-8	251,937	289,931
Snow Removal	B-8	49,723	39,788
Public Defender	B-8	12,700	7,613
P.O.A.A. - Parking Fines	B-8	10,653	10,453
Redemption of Tax Sale Certificates	B-3	84,989	71,027
RCA Trust	B-8	145,679	175,182
Environmental Committee	B-8	996	996
Shade Tree	B-8	41	41
Compensated Absences	B-8	<u>75,065</u>	<u>65,065</u>
Total Other Funds		<u>2,899,969</u>	<u>3,528,577</u>
Total Liabilities & Reserves		<u>\$ 2,909,421</u>	<u>\$ 3,540,699</u>

See notes to financial statements.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2022 and 2021

	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash & Investments	C-2	\$ 2,832,109	\$ 85,006
Due from Current Fund	A	2,682	
Deferred Charges to Future Taxation:			
Funded		13,695,000	14,515,000
Unfunded	C-4	4,564,300	4,258,300
 Total Assets		 <u>\$ 21,094,091</u>	 <u>\$ 18,858,306</u>
 <u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Encumbrances Payable	C-6	\$ 124,800	\$ -
Due to Current Fund	A		2,775
Green Acres Loan Payable	C-9		
Bond Anticipation Notes	C-7	4,489,000	1,236,300
Serial Bonds	C-8	13,695,000	14,515,000
Improvement Authorizations:			
Funded	C-6	31,463	31,463
Unfunded	C-6	2,553,299	2,911,244
Capital Improvement Fund	C-5	154	124
Fund Balance	C-1	200,375	161,400
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 21,094,091</u>	 <u>\$ 18,858,306</u>
 Bonds and Notes Authorized but not Issued	C-10	 <u>\$ 75,300</u>	 <u>\$ 3,022,000</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-1

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE**

Year Ended December 31, 2022

Balance December 31, 2021		\$	161,400
Increased by:			
Refund of Closed Improvement Authorization	\$	15,000	
Premium		<u>23,975</u>	<u>38,975</u>
Balance December 31, 2022		\$	<u>200,375</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D

**PAYROLL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2022 and 2021

	<u>REFERENCE</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash - Chief Financial Officer	D-1	\$ 11,114	\$ 9,458
Due from Current Fund	A		1,606
Total		<u>\$ 11,114</u>	<u>\$ 11,064</u>
 <u>LIABILITIES</u>			
Due to Current Fund		<u>\$ 11,114</u>	<u>\$ 11,064</u>
Total		<u>\$ 11,114</u>	<u>\$ 11,064</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
General Fixed Assets		
Land	\$ 7,076,829	\$ 7,076,829
Buildings & Contents	7,364,885	7,364,885
Vehicles & Equipment	<u>2,938,572</u>	<u>2,900,552</u>
 Total	 <u>\$ 17,380,286</u>	 <u>\$ 17,342,266</u>
 Investment in General		
Fixed Assets	 <u>\$ 17,380,286</u>	 <u>\$ 17,342,266</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Financial Reporting Entity

The Township of Mount Holly ("Township") is located in the County of Burlington, State of New Jersey. The governing body, the Township Committee, is comprised of five elected members who serve three-year terms.

The Governmental Accounting Standards Board ("GASB") Statement No. 14 established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the Division of Local Government Services, Department of Community Affairs, State of New Jersey requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township include each board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5.

Description of Funds and Account Groups

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by the 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 Township accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operation 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, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Payroll Fund - is used for the receipt and disbursement of funds used to meet obligations to employees and payroll tax liability.

General Fixed Assets Account Group - is used to account for fixed assets used in governmental operations.

Basis of Accounting, Measurement Focus and Basis of Presentation

The modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

Revenues - Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

Pension expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance.

Property Taxes - Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - 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.

Insurance - Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Accrued Sick and Vacation Time - The Township allows employees to accrue vacation time. By contract and personnel policy employees may accrue sick time. The Township's payroll records do provide data on the number of hours accumulated. This amount is not reported as either an expenditure or liability.

Inventories of Supplies - The cost 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.

General Fixed Assets Account Group - Property and equipment purchased by the Current and General Capital Funds are recorded at cost as expenditures at the time of purchase and are not capitalized or depreciated. They are maintained at cost with an equal reserve until disposal. Fixed assets acquired through grants and/or contributed capital are not accounted for separately.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)

Tax Appeals and Other Contingent Losses - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Budgets - The governing body prepares and approves by resolution an operating and capital budget for the Current Fund, which is then submitted for certification to the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Council subsequent to October 31 in the current budget year and up to March 31 of the following year.

Once adopted, the Township may make emergency appropriations for purposes which are not known at the time the budget was adopted per N.J.S.A. 40A:4-46. Also, the Township may make amendments to the budget for any special item of revenue made available by any public or private funding source per N.J.S.A.40. A:4-8 7.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements because its inclusion would make the statements unduly complex and difficult to read.

Departures from U.S. Generally Accepted Accounting Principles - The accounting principles and practices followed by the Township differ in some respects, which in some instances may be material from U.S. generally accepted accounting principles. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- No provision is made for accumulated vested vacation and sick leave.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- Depreciation expense is not calculated on fixed assets.
- Pension expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability and related deferred outflows and inflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2022, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes	<u>\$ 75,300</u>
----------------------------------------	------------------

C. CURRENT FUND BALANCE APPROPRIATED

The following amounts of fund balance at December 31, 2022, were anticipated as revenue in the adopted 2023 budget:

	Balance December 31, 2022	Utilized 2023 Budget
Current Fund	<u>\$ 2,723,224</u>	<u>\$ 790,000</u>

D. DEFERRED CHARGES TO BE RAISED IN SUCCEEDED BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, there were no deferred charges that needed to be raised in the succeeding year's budget.

E. DEFERRED DISTRICT SCHOOL TAXES

School taxes are raised on a calendar year basis for both the local and regional high school districts; therefore, school taxes cannot and have not been deferred as of December 31, 2022.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. CASH AND CASH EQUIVALENTS

The Township is governed by the deposit limitations of New Jersey state law. The deposits held at December 31, 2022, and reported book balances are as follows:

Type Deposits	Book Balances
Demand Deposits	\$ 9,490,643
Total Deposits	<u>\$ 9,490,643</u>

Type	Book Balances
Demand Deposits by Fund	
Current	\$ 3,833,890
Federal and State Grants	524,109
Dog Trust	9,452
Other Trust	2,279,969
Payroll	11,114
General Capital	<u>2,832,109</u>
Total	<u>\$ 9,490,643</u>

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township does have a deposit policy for custodial credit risk. As of December 31, 2022, the Township's bank balance of \$9,585,086 was insured or collateralized as follows:

Insured	\$ 457,110
Collateralized in the Township's name under GUDPA (see Note G)	<u>9,127,976</u>
Total	<u>\$ 9,585,086</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”)

The Township has deposited cash in 2022 with an approved public fund depository qualified under the provisions of GUDPA. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

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.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA, a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by Federal Deposit Insurance Corporation (“FDIC”) insurance. The collateral which may be pledged to support these deposits includes obligations of state and federal governments, insured securities and other collateral approved by the Department of Banking and Insurance. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged.

If a governmental depository fails and the FDIC insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION

A substantial number of the Township's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits (the "Division"). Both plans have a board of trustees that is primarily responsible for its administration. The Division issues publicly available financial reports for each plan that includes financial statements and required supplementary information. Those reports may be obtained at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml> or by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Plan Descriptions - PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the Division. For additional information about PERS and PFRS, please refer to the Division's annual financial statements, which can be found at the link above.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code ("IRC") 401(a) et seq. and is a governmental plan within the meaning of IRC 414(d). The DCRP provides benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn a salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn a 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 a salary of at least \$5,000.00 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 a salary of at least \$5,000.00 annually.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit are 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 are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, 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 their respective tier.

For PFRS, 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 for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, 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.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

Benefits Provided (Continued) - For DCRP, eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions - The contribution policy for PERS and PFRS is set by N.J.S.A. 43:15A and 43:16A, respectively and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with 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. Township contributions to PERS amounted to \$256,226 for 2022. The employee contribution rate for PERS was 7.50% effective July 1, 2018. Township contributions to PFRS amounted to \$700,385 for 2022. The employee contribution rate for PFRS was ten percent of employees' annual compensation, as defined.

PFRS 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. For the special funding situation, the unaudited proportionate share of the net pension liability of the State of New Jersey ("State") related to the Township for the year ended December 31, 2022, was .05385295% and \$1,097,045. Unaudited State contributions and pension expense for the year ended December 31, 2022, was \$136,577 and \$126,570, respectively.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

DCRP - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the year ended December 31, 2022, the Township's contributions were \$3,896. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At plan year ended June 30, 2022, the Township had a liability of \$3,066,341 for its proportionate share of the net pension liability in PERS and at plan year ended June 30, 2022, the Township had a liability of \$6,164,189 for its proportionate share of the net pension liability in PFRS. The PERS net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The PFRS net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2022, the Township's PERS proportion was 0.0203184966%, which was a slight increase of 0.000656 from its proportion measured as of plan year ended June 30, 2021. At plan year ended June 30, 2022, the Township's PFRS proportion was 0.05385285% which was a slight decrease of 0.002752 from its proportion measured as of plan year ended June 30, 2021. The Township's PERS pension expense for the plan year ended June 30, 2022, was a net benefit of \$175,272. The Township's PFRS pension expense for the plan year ended June 30, 2022, was a net benefit of \$2,782.

At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS as of Plan Year Ended June 30, 2022		PFRS as of Plan Year Ended June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 22,131	\$ 19,517	\$ 279,008	\$ 377,640
Changes in Assumptions	9,500	459,153	16,894	775,950
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	126,913		564,459	
Changes in Proportion	206,796	229,100	229,308	597,651
	<u>\$ 365,340</u>	<u>\$ 707,770</u>	<u>\$ 1,089,669</u>	<u>\$ 1,751,241</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS as of		PFRS as of	
Years Ending June 30,		Years Ending June 30,	
2023	\$ (263,028)	2023	\$ (308,309)
2024	(134,004)	2024	(197,028)
2025	(65,351)	2025	(187,691)
2026	142,571	2026	392,057
2027	(313)	2027	3,778
Thereafter	-	Thereafter	3,961
	<u>\$ (320,124)</u>		<u>\$ (293,231)</u>

The previous amounts do not include Township specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by the Township over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 for the years 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Actuarial Assumptions - The total PERS pension liability for the plan year ended June 30, 2022, and the total PFRS pension liability for the plan year ended June 30, 2022, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS - 2022</u>	<u>PFRS - 2022</u>
Inflation Rate		2.75%
Price	2.75%	
Wage	3.25%	
Salary Increases		
Based on years of service	2.75 - 6.55%	3.25 - 16.25%
Investment Rate of Return	7.00%	7.00%

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

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

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

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

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

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at plan year ended June 30, 2022, for PERS and June 30, 2022, for PFRS) is determined by the State Treasurer, after consultation with the directors of the Division of Investments and Division, 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 and PFRS's target asset allocation, are summarized in the following table:

Asset Class	Target Allocation	PERS - 2022 Long-Term Expected Real Rate of Return	PFRS - 2022 Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.38%	8.71%
Emerging Market Equity	5.50%	10.33%	10.96%
Private Equity	13.00%	11.80%	11.30%
Real Estate	8.00%	11.19%	9.15%
Real Assets	3.00%	7.60%	7.40%
High Yield	4.00%	4.95%	3.75%
Private Credit	8.00%	8.10%	7.60%
Investment Grade Credit	7.00%	3.38%	1.68%
Cash Equivalents	4.00%	1.75%	0.50%
U.S. Treasuries	4.00%	1.75%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.35%
	100.00%		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION OBLIGATION (CONTINUED)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

For PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of PERS plan year ended June 30, 2022	\$ 3,939,350	\$ 3,066,341	\$ 2,323,375
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of PFRS plan year ended June 30, 2022	\$ 8,457,933	\$ 6,164,189	\$ 4,254,636

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. PROPERTY TAXES

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent eight days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

J. INTERFUNDS, RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2022, is as follows:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 43,244	\$ 2,682
Federal and State Grant Fund		29,483
General Capital Fund	2,682	
Payroll Fund		11,114
Trust Fund - Animal Control		847
Trust Other Funds		1,800
Total Funds	<u>\$ 45,926</u>	<u>\$ 45,926</u>

K. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds.

L. GENERAL LONG-TERM DEBT

During the year ended December 31, 2022, the following changes occurred in long-term debt including loans:

	Balance December 31, 2021	Reduction	Balance December 31, 2022
General Capital Serial Bonds	\$ 14,515,000	\$ 820,000	\$ 13,695,000
Total	<u>\$ 14,515,000</u>	<u>\$ 820,000</u>	<u>\$ 13,695,000</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. GENERAL LONG-TERM DEBT (CONTINUED)

Permanently Funded Debt

General Obligation Serial Bonds and Green Acres Loan as of December 31, 2022, consists of the following:

Date of Issue	Purpose	Maturities	Interest Rate	Amount
October 31, 2013	General Obligation	2021 to 2025	Various	\$ 390,000
October 31, 2013	General Taxable Bonds	2021 to 2038	Various	30,000
September 27, 2017	Refund Bond Series 2010	2021 to 2030	Various	3,575,000
November 7, 2018	General Obligation 2018	2021 to 2043	Various	3,495,000
July 22, 2020	Taxable General Obligation Refunding	2021 to 2038	Various	3,940,000
October 29, 2021	Taxable General Obligation Refunding	2021 to 2041	Various	2,265,000
				<u>\$ 13,695,000</u>

Debt Service Requirements

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and five-year increments thereafter for Bonded Debt issued and outstanding:

Year	Principal	Interest	Total
2023	\$ 830,000	\$ 435,108	\$ 435,108
2024	885,000	409,629	409,629
2025	900,000	383,397	383,397
2026	795,000	356,030	356,030
2027	870,000	330,255	330,255
2028-2032	3,810,000	1,246,959	1,246,959
2033-2037	3,340,000	756,692	756,692
2038-2042	2,065,000	242,343	242,343
2043	200,000	9,500	9,500
	<u>\$ 13,695,000</u>	<u>\$ 4,169,913</u>	<u>\$ 4,169,913</u>

Bond Anticipation Notes issued as of December 31, 2022, are as follows:

Interest	Purpose	Rate	Amount
General Capital Fund	Restoration of Upper Buttonwood & Woolman Lakes	3.989%	\$ 177,000
General Capital Fund	Restoration & Rehab of Mill Dam Park	3.989%	2,200,000
General Capital Fund	Replacement of Buttonwood Lake Dam	3.989%	747,100
General Capital Fund	Various Capital Improvements	3.989%	453,200
General Capital Fund	Construction & Improvements to Real Property	3.989%	570,000
General Capital Fund	Construction of Improvements at Buttonwood	3.989%	142,500
General Capital Fund	Repair & Reconstruction of Union Mill Dam	3.989%	199,200
Total			<u>\$ 4,489,000</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. GENERAL LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt (Excluding Current Debt)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Issued -			
General - Bonds and Notes	\$ 18,184,000	\$ 15,751,300	\$ 16,528,811
Net Debt Issued	<u>18,184,000</u>	<u>15,751,300</u>	<u>16,528,811</u>
Authorized but not Issued:			
General - Bonds and Notes	<u>75,300</u>	<u>3,022,000</u>	<u>2,452,000</u>
Net Debt	<u>\$ 18,259,300</u>	<u>\$ 18,773,300</u>	<u>\$ 18,980,811</u>

**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 2.354%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District	\$ 5,140,000	\$ 5,140,000	\$ -
Local School District	28,245,000	28,245,000	-
General Debt	<u>18,259,300</u>	<u>-</u>	<u>18,259,300</u>
Total	<u>\$ 51,644,300</u>	<u>\$ 33,385,000</u>	<u>\$ 18,259,300</u>

Net debt, \$18,259,300 divided by Equalized Valuation Basis Per N.J.S.A. 40A:2-2 as amended, \$707,204,544 equals 2.582%.

Equalized Valuation Basis:

2022	\$ 775,742,885
2021	689,003,089
2020	<u>656,867,659</u>
Average	<u>\$ 707,204,544</u>

This information above is in agreement with the annual debt statement filed by the CFO.

New Jersey Statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years' equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2022, was 2.582%. The Township's remaining borrowing power is .918%.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. GENERAL LONG-TERM DEBT (CONTINUED)

Lease Obligations

At December 31, 2022, the Township has a lease agreement in effect for eleven copiers with a five (5) year term at an interest of 5.00%. This lease is under a long-term, noncancelable lease agreement.

The remaining future payments under the lease agreement for eleven copiers are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 10,194
2024	<u>850</u>
Total	<u>\$ 11,044</u>

Lease payments under this lease for the years 2022 and 2021 were \$10,194 and \$10,194, respectively.

On September 30, 2022, the Township entered into a lease for a mail machine with a five (5) year term at an interest rate of 6.25%. This lease is under a long-term, noncancelable lease agreement.

As of December 31, 2022, the lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 3,501
2024	3,501
2025	3,501
2026	3,501
2027	<u>2,335</u>
Total	<u>\$ 16,339</u>

Lease payments under this lease for the year 2022 were \$1,167.

M. FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2022:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2022</u>
Land	\$ 7,076,829			\$ 7,076,829
Buildings and Contents	7,364,885			7,364,885
Vehicles and Equipment	2,900,552	56,764	18,744	2,938,572
Total	<u>\$ 17,342,266</u>	<u>\$ 56,764</u>	<u>\$ 18,744</u>	<u>\$ 17,380,286</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Plan created in accordance with IRC Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and their beneficiaries, and are held in a custodial account as described in IRC Section 457(g). Such amounts are part of a common fund held with the assets of other Section 457 plans.

All assets of the plan are held by two independent administrators; Nationwide Retirement Solutions, Inc. and AXA Equitable.

O. ACCRUED SICK AND VACATION TIME

Township employees are entitled to paid vacation and sick time depending on their length of service with the Township. Vacation days not used during the year may be accumulated and carried forward for two years. Vacation days not used within this time period are forfeited. Vacation time unused at termination is reimbursed to the employee at their current rate of pay. Unused sick leave may be accumulated and carried forward to subsequent years. One-half of accrued sick time is reimbursed to employees only if they meet the requirements of retirement according to PERS or PFRS. Sick time is reimbursed to the employee at their current rate of pay up to a maximum of 62 to 65 days depending on their job classification.

The amount of accrual for compensated absences as of December 31, 2022, is as follows:

Vacation Time and Sick Time:	
Employees' Accrual	\$245,542
Township Share of Payroll Taxes	10,592

This liability has not been recorded in the financial statements. Actual payment and funding for compensated absences occurs through budget appropriation in the annual operating budget and only during the year the employee terminates or retires (pay-as-you-go basis).

P. LITIGATION

It is the Township's Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township that would have a material adverse effect on the financial position of the Township.

Q. SERVICE AGREEMENT

In 1978, the Township entered into a service agreement with the Mount Holly Municipal Utilities Authority (the "Authority") whereby the Township will pay the Authority any annual charges made and charged by the Authority in accordance with the service agreement. The annual charges made and to be charged by the Authority to and payable by the Township for or with respect to any fiscal year

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

Q. SERVICE AGREEMENT (CONTINUED)

shall be the sum of money equal to any deficiency in (a) the fund established by resolution or any other bond resolution for the payment of debt service and (b) any reserve fund for debt service below the bond's reserve requirement established therein. The Authority covenants that (a) the bond reserve requirement referred to above will not exceed the maximum annual debt service in any given year (excluding short-term debt) without the consent of the Township and (b) the requirements as to the payments of debt service therefrom and the priority of payments of revenues into various funds set forth in the resolution shall not be substantially altered or amended without the consent of the Township.

The Township will in each year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the Township to the Authority during each fiscal year of the estimated amount of the annual charges and the amount of any deficiency in prior annual charges (if any) stated in the certificate delivered in such fiscal year to the Township by the Authority.

The Authority will at all times take reasonable measures permitted by the act or otherwise by law to collect and enforce prompt payment of all service charges prescribed, fixed and charged in accordance with the 1978 service contract and the service agreement.

The Authority shall repay to the Township from the revenues collected by the Authority in the next succeeding fiscal year of the Authority, all monies by the Township to the Authority under the 1978 service contract, except service charges on property owned by the Township itself and including reasonable expenses of the Township. Such repayment shall be made without interest, except for any interest incurred by the Township in providing for such repayment. The 1978 service agreement states that failure by the Authority to make any such repayment shall not relieve the Township of the obligation to pay any annual charges, as described above.

In exchange for the service agreement, the Authority pays an annual sum of \$30,000 to the Township as a fee for the financial obligation accepted by the Township as long as the 1978 service agreement is in effect.

R. ECONOMIC UNDERTAKING

The Township previously determined to undertake a Redevelopment Project consisting of the acquisition of various parcels of real property in the Township, together with the demolition of any improvements thereon, as part of the Township's West End Redevelopment Plan ("Redevelopment Plan"). Located within the West End Redevelopment Area ("Redevelopment Area") in the Mount Holly Gardens ("Gardens"), a residential neighborhood originally comprised of three hundred seventy-nine (379) attached housing units built in the early 1950s. Over the past thirty years, the number of owner-occupied housing units in the Gardens declined to the point that the majority of the housing units were renter occupied and owned largely by absentee landlords. This led to a destabilizing effect on the development and resulted in declined building maintenance and property upkeep. The Redevelopment Area also includes a commercial area which is located north of and adjacent to the Gardens. This land was vacant and underutilized.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

R. ECONOMIC UNDERTAKING (CONTINUED)

The goal of the Redevelopment Plan is to create an attractive, safe and cohesive residential neighborhood that provides a variety of housing options that meet the needs of the Township community and to provide opportunities for commercial establishments that will serve the immediate area and the larger community.

In order to proceed with the implementation of the Redevelopment Plan, the Township entered into a redevelopment agreement with Keating Urban Partners, LLC ("Keating").

In order to complete the redevelopment of the area in accordance with the goals of the Redevelopment Plan, the Township began a process to acquire all the units in the Gardens, necessitating the relocation of its residents. The Township began this process several years ago. The Township's decision to select the Gardens complex is reflective of an opportunity to restore an aging and blighted residential complex to an attractive and functional market rate housing Redevelopment Plan which includes approximately five hundred twenty (520) units of mixed-income housing and an approximate 54,000 square feet commercial area.

On February 27, 2012, the Township introduced several ordinances, which allow the Township to move forward with the redevelopment of the Redevelopment Area through the sale and redevelopment of the vacant commercial area located north of the Gardens. These ordinances authorize the sale of this land for \$1,526,903 and the redevelopment of the land into an apartment complex containing 228 apartment units with shared recreational amenities such as a clubhouse and a swimming pool. Closing occurred in the fall of 2012.

The Township also has a second parcel of land for the development of 60 townhouses. In a prior year, the Township received a total of \$1,073,098 for this parcel.

During 2021, the Township sold a third parcel of land which should be considered Phase 3 of the redevelopment which consists of 96 additional apartment units and 80 townhomes for a total of \$1,799,746 with 12,000 square feet of commercial space yet to be sold and built. The 96 apartments have been completed and all but 4 of the 80 townhomes have been sold. The Township is currently in discussions with the developer regarding the purchase of the commercial space.

As part of the Redevelopment Plan, the Township is required to acquire existing homes and provide new replacement housing for twenty (20) families. As of December 31, 2022, the Township has acquired all twenty (20) of these properties and these mortgages have been transferred to Republic Bank as per the Gardens Settlement Agreement. The Township has one remaining phase left (phase 4) as part of the Redevelopment Plan. The Redevelopment Plan anticipates building 100 additional townhome units at a predetermined price in accordance with the Redevelopment Agreement.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

S. FORGIVABLE MORTGAGE RECEIVABLE

The Township implemented a scattered site housing rehabilitation program for owner-occupied single family and renter-occupied unit homes throughout the Township in 2002. This program is open to low or moderate-income owner-occupants of single-family dwelling units. The dwelling unit must be certified as substandard and the occupant must be certified as income eligible.

The program provides funding and financial assistance that will be spent in a manner that is consistent with Council on Affordable Housing rules. Rehabilitation funding shall be used to address deficiencies in major systems and bring each housing unit to code. Financial assistance will be available for repair or replacement of substandard conditions within the housing unit in order to correct code violations. Once the funding or financial assistance is given to the approved occupant Township files the required lien on the owner-occupied property. The owner-occupants of the single-family homes that qualify will be required to repay the loan in full to the Township if they sell or vacate the unit within six years of the completion of work. Twenty-five percent of the loan shall be forgiven if the owner-occupant remains in the unit for seven (7) years after receiving the loan. Similarly, 25 percent of the loan shall be forgiven for each additional year the owner-occupant remains in the unit. Finally, after 10 years, the loan shall be forgiven. The amount of forgivable mortgage receivable as of December 31, 2022, is \$620,000.

T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Township participates in the State Health Benefits Local Government Retired Employees Plan (the "SHBP" or "OPEB Plan"), a cost sharing multiple-employer defined post-retirement benefit plan, which is administered by the Division. The SHBP provides health care benefits to employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The Township does not offer the OPEB Plan to active employees but retired employees are eligible due to a special funding situation. The total number of retired participants eligible for benefits was 55 at December 31, 2022.

General Information About the OPEB Plan - The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website 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 of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement 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 post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

service credit in a State or 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 State or 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.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement 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.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement 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. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. As a participating employer the Township will pay and remit to contributions to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Law of 1972.

The Township's contribution to the Plan for the year ended December 31, 2022, was \$38,976, which equaled the required contribution for the 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. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense 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 ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the SHBP, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. For the special funding situation, the unaudited proportionate share of the net pension liability of the State related to the Township for the year ended December 31, 2022, was .0158151% and \$5,335,714. Unaudited State pension expense (revenue) for the year ended December 31, 2022, was a balance of (\$875,169).

Net OPEB Liability

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of plan year ended June 30, 2022, are as follows:

	June 30, 2022
Total OPEB Liability	\$ 8,328,985
Plan Fiduciary Net Position	<u>(30,369)</u>
Net OPEB Liability	<u>\$ 8,359,354</u>
Plan Fiduciary Net Position as a percentage of total OPEB liability	-0.36%

The total OPEB liability as of plan year ended June 30, 2022, was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Salary increases*:

Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% - 6.55%
Based on years of service	
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25 - 16.25%
Based on years of service	

Mortality:

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

*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. One hundred-percent of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years and for all future years. For post-65 PPO and HMO medical benefits, the actual fully-insured Medical Advantage trend rates for fiscal year 2023 through 2033 and all future years. The rates used for 2023 are -1.89% and -1.99%, respectively, trending to 4.5% in 2033 and for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years and for all future years.

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate:

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022, 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:

	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Local	\$ 9,690,174	\$ 8,359,354	\$ 7,288,585

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

T. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

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

	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Local	\$ 7,091,492	\$ 8,359,354	\$ 9,983,129

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 431,686	\$ 1,549,469
Changes in Assumptions	1,115,590	2,852,886
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,201	-
Changes in Proportion	8,779,572	304,121
	<u>\$ 10,329,049</u>	<u>\$ 4,706,476</u>

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

	Years Ending June 30,
2022	\$ (757,475)
2023	(758,144)
2024	(598,695)
2025	(267,381)
2026	(59,946)
Thereafter	(411,238)
	<u>\$ (2,852,878)</u>

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

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

U. SUBSEQUENT EVENTS

The Township has evaluated all subsequent events occurring after December 31, 2022, through September 28, 2023, which is the date the financial statements were available to be issued. The Township issued Bond Anticipation Note Series A totaling \$4,453,000 on September 13, 2023.

SUPPLEMENTAL SCHEDULES

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF CASH – CHIEF FINANCIAL OFFICER**

Year Ended December 31, 2022

	CURRENT FUND	FEDERAL & STATE GRANT FUND
Balance December 31, 2021	\$ 3,242,879	\$ 705,459
Increased by Receipts:		
Taxes Receivable	\$ 21,033,253	
Tax Title Liens Receivable	47,467	
Tax Overpayments	57,283	
Due from State of New Jersey - Senior Citizens' & Veterans' Deductions	65,371	
Prepaid Taxes	124,549	
Revenue Accounts Receivable	4,247,778	
Miscellaneous Revenue Not Anticipated	39,819	
Budget Refunds	574,077	
Property Maintenance Receivable	9,879	
Amount Due to State for Marriage Licenses/Funeral Licenses	498	
Municipal Relief Fund	79,213	
Due from Animal Control Fund	2,463	
Due from Capital Fund	259,941	
Due from Payroll Fund	200,000	
Due from Trust Other Funds	20,951	
Due from Grant Fund	499,635	
Due from TTL Redemption Funds	719,400	
Due from Mt. Holly MUA	58,659	
State & Federal Grants Receivable		\$ 220,247
Reserve for Flood		
Federal and State Grants Unappropriated		524,547
	28,040,236	744,794
Total		
Subtotal	31,283,115	1,450,253
Decreased by Disbursements:		
2022 Appropriations	10,421,750	
2021 Appropriation Reserve	260,206	
Refund Tax Overpayments	70,817	
County Taxes	2,635,474	
Local District School Taxes	8,715,041	
Regional High School District Taxes	2,891,809	
Fire District Taxes	1,216,561	
Due to Mt. Holly MUA	59,601	
Due to Capital Fund	257,166	
Due to Payroll Fund	200,000	
Due to TTL Redemption Fund	719,400	
Due to State of New Jersey	2,150	
Due to Current Fund		499,635
Reserve for Federal & State Grant Funds - Appropriated		426,509
	27,449,975	926,144
Total Disbursements		
Balance December 31, 2022	\$ 3,833,140	\$ 524,109

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year Ended December 31, 2022

YEAR	BALANCE	2022 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE
	DECEMBER 31, 2021			2021	2022					DECEMBER 31, 2022
2019	\$ 2,862	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2,860
2020	1,125									1,125
2021	6,931		6,296		8,608			1,547		3,072
Total	10,918		6,296		8,610			1,547		7,057
2022	-	21,397,133	155	142,028	21,024,643	68,500		59,418	89,270	13,429
Total	\$ 10,918	\$ 21,397,133	\$ 6,451	\$ 142,028	\$ 21,033,253	\$ 68,500	\$ -	\$ 60,965	\$ 89,270	\$ 20,486

ANALYSIS OF 2022 PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$ 21,101,135
Added Taxes (54:4-63.1 et seq)	295,998
Total	<u>\$ 21,397,133</u>
Tax Levy:	
Local District School Tax (Abstract)	\$ 8,715,041
Regional School District Tax	2,891,809
Fire District Tax (Abstract)	1,217,360
County Taxes:	
County Tax (Abstract)	\$ 2,253,866
County Open Space Tax (Abstract)	174,769
County Library Tax (Abstract)	200,454
Due County for Added & Omitted Taxes	<u>37,015</u>
	2,666,104
Local Tax for Municipal Purposes	5,640,612
Add: Additional Tax Levy	<u>266,207</u>
	5,906,819
Total Levy	<u>\$ 21,397,133</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE**

Year Ended December 31, 2022

Balance December 31, 2021		\$ 285,943
Increased by:		
Interest and Costs	\$ 16,005	
Adjustment to Prior Year Balance	506	
Transfer from Taxes Receivable - 2021	89,270	105,781
Subtotal		391,724
Decreased by:		
Adjustment to Prior Year Balance		
Collections	47,467	47,467
Balance December 31, 2022		<u>\$ 344,257</u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES**

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Year Ended December 31, 2022

Balance December 31, 2022 and 2021	<u>\$ 490,055</u>
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**CURRENT FUND
SCHEDULE OF PROPERTY MAINTENANCE RECEIVABLE**

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Year Ended December 31, 2022

Balance December 31, 2021	\$ 5,136
Increased by:	
Billings	17,422
Subtotal	22,558
Decreased by:	
Collections	9,879
Balance December 31, 2022	<u>\$ 12,679</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Year Ended December 31, 2022

	BALANCE DECEMBER 31, 2021	ACCRUED IN 2022	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2022
Municipal Clerk:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 22,876	\$ 22,876	\$ -
Other Licenses		5,225	5,225	
Fees & Permits		226,189	226,189	
Service Contract - Mt. Holly MUA		30,000	30,000	
Cable TV Franchise Fee		101,928	101,928	
Payment In-Lieu of Taxes:				
Mt. Holly MUA		408,000	408,000	
Children's Home		30,000	30,000	
Stouber		125,627	125,627	
Regency Park		174,790	174,790	
Fermoor		528,437	528,437	
Presbyterian Home		15,216	15,216	
Mt Holly Memorial Health Alliance Donation		389,798	389,798	
State Rental of Parking Lots		10,105	10,105	
County Rental of Parking Lots		98,203	98,203	
Municipal Court - Fines & Costs	5,667	63,448	65,699	3,416
Construction Code Office - Indirect Costs		21,000	21,000	
Rent - 14 Kings Street		40,000	40,000	
Contribution from Rancocas Valley Regional High School		111,750	111,750	
Contribution from Mt. Holly BOE		75,886	75,886	
Energy Receipts Tax		1,516,810	1,516,810	
Consolidated Municipal Property Tax Relief		1,721	1,721	
Housing Inspection Fees		89,275	89,275	
Interest and Costs on Taxes		87,426	87,426	
Interest on Investments		71,817	71,817	
Total	\$ 5,667	\$ 4,245,527	\$ 4,247,778	\$ 3,416

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES**

Year Ended December 31, 2022

OPERATIONS	BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVER- EXPENDED
General Government:					
Administrative & Executive:					
Salaries and Wages	\$ 86	\$ 86	\$ -	\$ 86	\$ -
Other Expenses	7,488	7,488	7,161	327	
Mayor and Council:					
Salaries and Wages	1,359	1,359	557	802	
Other Expenses	500	500		500	
Municipal Clerk:					
Other Expenses	9,855	9,855	9,855		
Financial Administration:					
Salaries and Wages	15,000	15,000		15,000	
Other Expenses	10,956	10,956	5,455	5,501	
Assessment of Taxes:					
Other Expenses	24,549	24,549	3,333	21,216	
Collection of Taxes:					
Salaries and Wages	7,349	7,349		7,349	
Other Expenses	14,095	14,095	1,901	12,194	
Legal Services & Costs:					
Other Expenses	14,118	14,118	14,118		
Engineering Services & Costs:					
Other Expenses	24,563	24,563	15,466	9,097	
Historic Preservation Committee:					
Salaries and Wages	3,000	3,000		3,000	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	4,999	4,999		4,999	
Other Expenses	1,893	1,893	1,893		
Code Enforcement and Administration:					
Inspection of Housing:					
Salaries and Wages	3,239	3,239		3,239	
Other Expenses	1,310	1,310	11	1,299	
Insurance:					
Medical Waiver	2,150	2,150		2,150	
General Liability Insurance	17,829	17,829		17,829	
Employee Group Insurance	24,237	24,237	187	24,050	
Public Safety:					
Police:					
Salaries and Wages	2,563	2,563		2,563	
Other Expenses	28,409	28,409	5,870	22,539	
Emergency Management:					
Other Expenses					
Public Works Functions:					
Streets & Road Maintenance:					
Salaries and Wages	12,093	12,093		12,093	
Other Expenses	13,658	13,658	13,542	116	

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (CONTINUED)**

Year Ended December 31, 2022

OPERATIONS	BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVER- EXPENDED
Public Works Functions (continued):					
Public Buildings & Grounds:					
Salaries and Wages	470	470	-	470	-
Other Expenses	596	596	596		
Vehicle Maintenance:					
Other Expenses	7,387	7,387	7,249	138	
Other Public Works					
Other Expenses					
Health & Welfare:					
Community Drug Alliance Program:					
Other Expenses	2,200	2,200		2,200	
Parks & Recreation:					
Recreation Services & Programs:					
Salaries and Wages	10,026	10,026		10,026	
Other Expenses	732	732	665	67	
Celebration of Public Events:					
Other Expenses					
Utility Expenses & Bulk Purchases:					
Electricity	7,980	7,980	4,234	3,746	
Street Lighting	19,574	19,574	4,222	15,352	
Telephone	410	410	386	24	
Water	2,153	2,153	578	1,575	
Gasoline	6,170	6,170	3,729	2,441	
Municipal Court:					
Municipal Court:					
Salaries and Wages	684	684		684	
Other Expenses	6,697	6,697	861	5,836	
Municipal Prosecutor:					
Salaries and Wages	1,833	1,833	1,833		
Public Defender - Contractual	525	525		525	
Landfill & Solid Waste Disposal Costs:					
Garbage & Trash Removal:					
Other Expenses	72,964	72,964	68,904	4,060	
Sanitary Landfill:					
Contractual	32,560	32,560	29,430	3,130	
Statutory Expenditures:					
Social Security System	586	586		586	
DCRP	94	94		94	
Unemployment Fund	374	374	374		
<hr/>					
Total General Appropriations for Municipal Purposes - Within "CAPS"	419,313	419,313	202,410	216,903	-
<hr/>					
Mandated Expenditures Excluded from "CAPS":					
Capital Improvements Excluded from "CAPS"					
Public Works Equipment	97,000	97,000	56,764	40,236	-
<hr/>					
Subtotal General Appropriation Items	97,000	97,000	56,764	40,236	-
<hr/>					
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17 & 17.3)					
<hr/>					
Total General Appropriations	\$ 516,313	\$ 516,313	\$ 259,174	\$ 257,139	\$ -
<hr/>					
Appropriation Reserves	\$ 390,950				
Encumbrances Payable	125,363				
Refunds			\$ (1,032)		
Cash Disbursements			260,206		
<hr/>					
Total	\$ 516,313		\$ 259,174		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-11

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Year Ended December 31, 2022

Balance December 31, 2021	\$	1
Increased by: Levy Calendar Year 2022		<u>8,715,041</u>
Subtotal		8,715,042
Decreased by: Payments		<u>8,715,041</u>
Balance December 31, 2022	\$	<u>1</u>

A-12

**CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAXES PAYABLE**

Year Ended December 31, 2022

Balance December 31, 2021	\$	5
Increased by: Levy Calendar Year 2022		<u>2,891,809</u>
Subtotal		2,891,814
Decreased by: Payments		<u>2,891,809</u>
Balance December 31, 2022	\$	<u>5</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-13

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Year Ended December 31, 2022

PROGRAM	BALANCE DECEMBER 31, 2021	2022 REVENUE	RECEIPTS	CANCELLED	BALANCE DECEMBER 31, 2022
Federal Grants:					
Transportation Enhancement Fund - Pedestrian Safety	\$ 71,748	\$ -	\$ -	\$ -	\$ 71,748
Small Cities CDBG - Rehabilitation	110,657				110,657
TAP Grant	163,016				163,016
USDA AMS Farmers Market Promotion	32,655				32,655
Total Federal Grants	378,076	-	-	-	378,076
State Grants:					
Sustainable New Jersey Small Grant Program	6,000				6,000
Sustainable New Jersey Grant - Roots to River	5,895				5,895
Alcohol Education & Rehabilitation	1,656				1,656
NJ DOT - Park Drive	33,868				33,868
NJ DOT - Phase II High Street	40,249				40,249
NJ DOT - Smith Lane Improvements	107,049		66,335		40,714
NJ DOT - Commerce Street Bridge	65,779				65,779
NJ DOT - Holly Lane Improvements	90,442		63,606		26,836
NJ DOT - Levis Drive	276,508	306,471			582,979
Safe Routes to School Grant	125,000				125,000
EDA - Ankokas Lagoon/Mills	92,486				92,486
EDA - Holly Chemical Co., Inc.	11,650				11,650
EDA - Regal Custom Fixtures	3,737				3,737
Click-It-Ticket	4,916				4,916
Community Forestry	1,729				1,729
Urban Tree Reforestation Project	8,222				8,222
Distracted Driver	550				550
Recycling Tonnage Grant	10,310	11,915	11,915		10,310
Electrical Charging Stations	16,000				16,000
County Historic Grant		3,543	2,657		886
ROID Grant	20,000				20,000
Neighborhood Prevention Program		125,000	112,500		12,500
USDA Community Facility Grant		25,200			25,200
Body-Worn Camera Grant	67,254		67,254		
Drunk Driving Enforcement					
Insurance Fund Safety Grant	8,423				8,423
Urban Enterprise Zone					
Total State Grants	997,723	472,129	324,267	-	1,145,585
County Grants:					
County Parks Grant	540,000	20,395	20,395	-	540,000
Total County Grants	540,000	20,395	20,395	-	540,000
Total	\$ 1,915,799	\$ 492,524	\$ 344,662	\$ -	\$ 2,063,661
Cash			\$ 220,247		
Unappropriated Grants Realized			124,415		
			<u>\$ 344,662</u>		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-14

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS – APPROPRIATED RESERVES**

Year Ended December 31, 2022

PROGRAM	BALANCE DECEMBER 31, 2021	TRANSFERRED FROM 2022 BUDGET APPROPRIATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	REFUNDS	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2022
Federal Grants:							
Transportation Enhancement Pedestrian Safety	\$ 120,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,916
Community Development Block Grant	28,656						28,656
Small Cities CDBG - 2016	3,086						3,086
Small Cities CDBG - 2021	107,000						107,000
Small Cities CDBG - Rehabilitation 2017	6,521						6,521
TAP Grant	15,388						15,388
USDA AMS Farmers Market Promotion	15,106						15,106
Total Federal Grants	296,673	-	-	-	-	-	296,673
State Grants:							
NJ DOT - Holly Lane Improvements	188,251				134,598		53,653
NJ DOT - Smith Lane Improvements	215,444				127,786		87,658
NJ DOT - Levis Drive	276,508	306,471					582,979
Drunk Driving Enforcement Grant	11,866		240		777		11,329
Alcohol Education & Rehabilitation Fund	16,499						16,499
Recycling Tonnage Grant	59,982	11,915	880		15,575		57,202
NJ Urban Enterprise Zone	134,507				13,745		120,762
Click-It-Ticket	4,916						4,916
Distracted Driver	6,600						6,600
Clean Communities Grant	112,269	20,395					132,664
ROID Grant	15,903						15,903
Insurance Fund Safety Grant	16,288				3,748		12,540
NJ Economic Development Authority	54,241		17,755		39,120		32,876
Community Forestry	3,533						3,533
Urban Tree Reforestation Project	9,234						9,234
Safe Routes to School Grant	125,000						125,000
Safe and Secure Communities Grant	32,400						32,400
Body-Worn Camera Grant	67,254				67,254		-
Electrical Charging Stations			16,000				16,000
Body Armor Fund	3,556				1,390		2,166
Neighborhood Prevention Program	30	125,000			80,979		44,051
Community Facility Grant		25,200					25,200
Community Facility Grant - Local Match		20,727			20,727		
Total State Grants	1,354,281	509,708	34,875	-	505,699	-	1,393,165
County Grants:							
County Historic Grant		3,543					3,543
County Parks Grant	62,493		197,386		40,220		219,659
Total County Grants	62,493	3,543	197,386	-	40,220	-	223,202
Local Grants:							
Mt Holly Youth Soccer Program	1,000						1,000
NJ American Water	290						290
Total Local Grants	1,290	-	-	-	-	-	1,290
Total	\$ 1,714,737	\$ 513,251	\$ 232,261	\$ -	\$ 545,919	\$ -	\$ 1,914,330
					Cash Disbursed		\$ 426,509
					Encumbrances		119,410
					Total		\$ 545,919

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-15

FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS –
UNAPPROPRIATED RESERVES

December 31, 2022

PROGRAM	BALANCE DECEMBER 31, 2021	GRANTS RECEIVED	REVENUE IN 2022 BUDGET	BALANCE DECEMBER 31, 2022
Federal & State Grants:				
Recycling Tonnage Grant	\$ 11,915	\$ 19,032	\$ 11,915	\$ 19,032
American Recovery Plan	499,635	499,635	499,635	499,635
Neighborhood Preservation Program	112,500		112,500	
Body Armor Fund		3,251		3,251
Bulletproof Vest Program		2,629		2,629
Total Federal & State Grants	\$ 624,050	\$ 524,547	\$ 624,050	\$ 524,547

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-1

**TRUST FUNDS
SCHEDULE OF CASH – CHIEF FINANCIAL OFFICER**

Year Ended December 31, 2022

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2021	\$ 12,122	\$ 2,859,524
Receipts:		
State Share of Dog License Fees	\$ 439	
Dog License Fees	3,947	
Late Fees	300	
Current Fund Budget	12,000	
RCA Trust Fund Deposits		\$ 1,654
P.O.A.A. Fines		200
Public Defenders Fees		1,286
Recreation Commission Funds		31,885
Builder's Escrow		117,225
Tax Sale Premiums		719,400
Uniform Construction Code Fees		240,604
Outside Police Services		107,761
Snow Removal		33,090
Law Enforcement Funds		2,502
Deposits for Tax Sale Redemptions		539,856
Due to State of New Jersey		9,192
Recycling Program		685
Compensated Absences		10,000
State and Federal Grants		34,200
Due Current Fund	76	15,767
	<u>16,762</u>	<u>1,865,307</u>
Total Receipts	<u>16,762</u>	<u>1,865,307</u>
Total Receipts & Balances	<u>28,884</u>	<u>4,724,831</u>
Disbursements:		
Paid to State of New Jersey	439	17,369
Expenditures Under N.J.S.A. 40:19-15.11	16,530	
Compensated Absences		-
Tax Sale Premiums Received		1,191,200
Public Defenders Fees		11,400
Recreation Commission Funds		30,128
Builder's Escrow		139,516
Uniform Construction Code Fees		293,205
Outside Police Officers		145,755
Law Enforcement Fund		-
Tax Sale Redemptions		525,894
Snow Removal		23,155
Environmental Committee		-
RCA Trust Fund Deposits		31,157
Due to Current Fund	2,463	35,068
	<u>19,432</u>	<u>2,444,862</u>
Total Disbursements	<u>19,432</u>	<u>2,444,862</u>
Balance December 31, 2022	<u>\$ 9,452</u>	<u>\$ 2,279,969</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-1

**TRUST FUNDS
SCHEDULE OF CASH – CHIEF FINANCIAL OFFICER (CONTINUED)**

Year Ended December 31, 2022

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance Per Certification of:		
Investors Bank:		
Dog License	\$ 11,662	
Tax Sale Premiums		\$ 1,034,768
Recreation Commission Funds		34,248
Law Enforcement		17,178
Builder's Escrow		209,169
Recycling Program		8,578
Uniform Construction Code		306,401
Outside Police Services		252,270
Snow Removal		49,786
Public Defender		13,885
P.O.A.A. - Parking Fines		10,666
Tax Sale Redemptions		83,731
RCA Trust		145,680
Environmental Committee		998
State & Federal Grants		65,838
Compensated Absences		75,147
Shade Tree		40
Add: Deposit in Transit		9,842
Less: Outstanding Checks Per Permanent Record	<u>(2,210)</u>	<u>(38,256)</u>
Balance December 31, 2022	<u>\$ 9,452</u>	<u>\$ 2,279,969</u>

**TRUST FUNDS
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

B-2

Year Ended December 31, 2022

Balance December 31, 2021		\$ 9,094
Increased by:		
Dog License Fees - Collected	\$ 3,947	
Late Fees	300	
Current Fund Budget	<u>12,000</u>	<u>16,247</u>
Subtotal		25,341
Decreased by:		
Expenditures Under N.J.S.A. 4:19-15.11	16,530	
Due to Current Fund for Excess Dog Fees	<u>518</u>	<u>17,048</u>
Balance December 31, 2022		<u>\$ 8,293</u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$ 4,167
2020	<u>4,126</u>
Total	<u>\$ 8,293</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-3

**TRUST FUNDS
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS**

Year Ended December 31, 2022

Balance December 31, 2021	\$ 71,027
Increased by:	
Cash Receipts	<u>539,856</u>
Subtotal	610,883
Decreased by:	
Cash Disbursements	<u>525,894</u>
Balance December 31, 2022	<u>\$ 84,989</u>

B-4

**TRUST FUNDS
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**

Year Ended December 31, 2022

Balance December 31, 2021	\$ 1,506,100
Increased by:	
Premiums Received at Tax Sale - Due from Current	<u>719,400</u>
Subtotal	2,225,500
Decreased by:	
Premiums Refunded at Redemption	<u>1,191,200</u>
Balance December 31, 2022	<u>\$ 1,034,300</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-5

**TRUST FUNDS
SCHEDULE OF RESERVE FOR UNIFORM CONSTRUCTION CODE FEES**

Year Ended December 31, 2022

Balance December 31, 2021	\$	364,215
Increased by:		
Construction Code Fees Received		<u>240,604</u>
Subtotal		604,819
Decreased by:		
Disbursement of Construction Code Funds		<u>293,205</u>
Balance December 31, 2022	\$	<u>311,614</u>

B-6

**TRUST FUNDS
SCHEDULE OF DUE TO STATE OF NEW JERSEY – DOG LICENSE FUND**

Year Ended December 31, 2022

Balance December 31, 2021	\$	312
Increased by:		
Dog License Fees Collected:		
State Share		<u>439</u>
Subtotal		751
Decreased by:		
Payments		<u>439</u>
Balance December 31, 2022	\$	<u>312</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B-7

**TRUST FUNDS
SCHEDULE OF MISCELLANEOUS TRUST RESERVES**

Year Ended December 31, 2022

	BALANCE DECEMBER 31, 2021	INCREASED BY			DECREASED BY		BALANCE DECEMBER 31, 2022
		RECEIPTS	INTEREST EARNINGS	OTHER	DISBURSEMENTS	OTHER	
Recreation Commission Funds	\$ 29,520	\$ 31,885	\$ -	\$ -	\$ 30,128	\$ -	\$ 31,277
Law Enforcement Funds	14,676	2,333	169				17,178
Builder's Escrow	197,093	117,225			139,516		174,802
Recycling Program	8,897	685			1,015		8,567
Outside Police Services	289,931	107,761			145,755		251,937
Snow Removal	39,788	33,090			23,155		49,723
Public Defender	7,613	1,286		15,201	11,400		12,700
P.O.A.A. - Parking Fines	10,453	200			-		10,653
RCA Trust	175,182		1,654		31,157		145,679
Compensated Absences	65,065	10,000					75,065
Environmental Committee	996						996
Shade Tree	41						41
Federal & State Grants	31,556	34,200					65,756
Total	\$ 870,811	\$ 338,665	\$ 1,823	\$ 15,201	\$ 382,126	\$ -	\$ 844,374

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-2

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH**

Year Ended December 31, 2022

Balance December 31, 2021		\$	85,006
Increased by:			
Interest on Investments	\$	12,622	
Premiums		23,975	
Refunds		15,000	
Due Current Fund		140,068	
Bond Anticipation Note Proceeds		4,489,000	
Bond Proceeds		<u>4,680,665</u>	4,680,665
Subtotal			4,765,671
Decreased by:			
Due Current Fund		111,579	
Bond Anticipation Note Principal and Interest		1,240,368	
Improvement Authorizations		<u>581,615</u>	1,933,562
Balance December 31, 2022		<u>\$</u>	<u>2,832,109</u>

C-3

**GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH**

Year Ended December 31, 2022

Fund Balance		\$	200,375
Capital Improvement Fund			154
Due to/(from) Current Fund			(2,682)
Improvement Authorizations:			
Ordinance Numbers & Descriptions			
99-22 Acquisition of Various Equipment & Completion of Various Capital Improvements			1,463
10-17 The Gardens Redevelopment Project			3
16-14 Renovation & Rehabilitation of Mill Dam Park			1,731,746
16-15 Replacement of Buttonwood Lake Dam			60,550
17-15 Various Capital Improvements			80,727
17-16 Refunding Bond Ordinance GOB Series			(68,178)
21-16 Acquisition of Various Properties			600,000
22-09 Construction of Improvements at Buttonwood			64,877
22-11 Repair & Reconstruction of the Mill Dam			<u>38,274</u>
Total Cash & Investments		<u>\$</u>	<u>2,832,109</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION – UNFUNDED**

Year Ended December 31, 2022

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	DECREASED BY SERIAL BONDS	BALANCE DECEMBER 31, 2022	ANALYSIS OF BALANCE DECEMBER 31, 2022			
							FINANCED BY BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
09-11	Restoration of Upper Buttonwood & Woolman Lakes	\$ 177,000	\$ -	\$ -	\$ -	\$ 177,000	\$ 177,000	\$ -	\$ -	
16-14	Renovation & Rehabilitation of Mill Dam Park	2,200,000				2,200,000	2,200,000			
16-15	Replacement of Buttonwood Lake Dam	760,000		12,900		747,100	747,100			
17-15	Various Capital Improvements	476,300		23,100		453,200	453,200			
17-16	Refunding Bond Ordinance GOB Series 2010	75,000				75,000		68,178	6,822	
20-13	Acquisition of Various Redevelopment Properties									
21-16	Construction & Improvements to Real Property	570,000				570,000	570,000			
22-09	Construction & Improvements at Buttonwood		142,500			142,500	142,500			
22-11	Repair & Reconstruction of Union Mill Dam		199,500			199,500	199,200	300		
Total		\$ 4,258,300	\$ 342,000	\$ 36,000	\$ -	\$ 4,564,300	\$ 4,489,000	\$ 68,478	\$ 6,822	
									Improvement Authorizations - Unfunded	\$ 2,553,299
									Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
									Ordinance No. 10-17	\$ 3
									Ordinance No. 16-14	1,731,746
									Ordinance No. 16-15	60,550
									Ordinance No. 17-15	80,727
									Ordinance No. 21-16	570,000
									Ordinance No. 22-09	64,877
									Ordinance No. 22-11	38,574
									Total	\$ 6,822

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-5

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Year Ended December 31, 2022

Balance December 31, 2021	\$	124
Increased by:		
Improvement Authorization Canceled		11,530
Decreased by:		
Down Payment on Bond Ordinances		<u>11,500</u>
Balance December 31, 2022	<u>\$</u>	<u>154</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Year Ended December 31, 2022

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	ENCUMBRANCES RECLASSIFIED	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2022								
				FUNDED	UNFUNDED					FUNDED	UNFUNDED							
99-22	Acquisition of Various Equipment Completion of Various Capital Improvements	07/23/91	\$ 1,447,000	\$ 1,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463	\$ -							
09-11	Restoration of Upper Buttonwood & Woolman Lakes	06/08/09	177,000		207			207										
10-17	Acquisition of Various Properties	12/13/10	2,500,000		3						3							
16-14	Renovation & Rehabilitation of Mill Dam Park	05/09/16	2,200,000		2,150,571			418,825			1,731,746							
16-15	Replacement of Buttonwood Lake Dam	05/09/16	800,000		91,384			30,834			60,550							
17-15	Various Capital Improvements	07/10/17	550,000		80,727						80,727							
17-16	Refunding Bond Ordinance GOB Series 2010	07/10/17	695,000		6,822						6,822							
20-13	Acquisition of Various Properties	09/14/20	200,000		11,530				11,530		-							
21-16	Construction & Improvements to Real Property	12/13/21	600,000	30,000	570,000					30,000	570,000							
22-09	Construction of Improvements at Buttonwood	06/27/22				150,000		85,123			64,877							
22-11	Repair & Reconstruction of the Union Mill Dam	07/11/22				210,000		171,426			38,574							
Total			\$	31,463	\$	2,911,244	\$	360,000	\$	-	\$	706,415	\$	11,530	\$	31,463	\$	2,553,299
								Cash Disbursement	\$	581,615								
								Encumbrances Payable		124,800								
								Total	\$	706,415								

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-7

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Year Ended December 31, 2022

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	BALANCE DECEMBER 31, 2021	INCREASE	DECREASE	BALANCE DECEMBER 31, 2022
2009-11	Restoration of Upper Buttonwood & Woolman Lakes	09/02/22	09/02/22	09/28/23	\$ -	\$ 177,000	\$ -	\$ 177,000
2016-14	Restoration & Rehab of Mill Dam Park	09/02/22	09/02/22	09/28/23		2,200,000		2,200,000
2016-15	Replacement of Buttonwood Lake Dam	09/02/22 06/27/19	09/02/22 10/01/21	09/28/23 09/30/22	760,000	747,100	760,000	747,100
2017-15	Various Capital Improvements	10/12/17	09/02/22 10/01/21	09/28/23 09/30/22	476,300	453,200	476,300	453,200
2021-16	Construction & Improvements to Real Property	09/02/22	09/02/22	09/28/23		570,000		570,000
2022-09	Construction of Improvements at Buttonwood	09/02/22	09/02/22	09/28/23		142,500		142,500
2022-11	Repair & Reconstruction of Union Mill Dam	09/02/22	09/02/22	09/28/23		199,200		199,200
Total					\$ 1,236,300	\$ 4,489,000	\$ 1,236,300	\$ 4,489,000
Paid by Budget Appropriation					\$ -	\$ 36,000		
Renewals						4,489,000	1,200,300	
Total					\$ 4,489,000	\$ 1,236,300		

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-8

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Year Ended December 31, 2022

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31,		BALANCE DECEMBER 31,	
			DATE	AMOUNT			2021	ISSUED	PAID	2022
Taxable Redevelopment General Obligation Refunding Bonds, Series 2017	9/27/17	\$ 4,610,000	06/01/23	\$ 405,000	2.680%	\$ 3,970,000	\$ -	\$ 395,000	\$ 3,575,000	
			06/01/24	415,000	2.890%					
			06/01/25	425,000	3.040%					
			06/01/26	440,000	3.140%					
			06/01/27	455,000	3.240%					
			06/01/28	465,000	3.380%					
			06/01/29	480,000	3.550%					
06/01/30	490,000	3.550%								
General Obligation Bonds Series 2013	10/31/13	1,375,000	11/15/23	130,000	3.000%	520,000	-	130,000	390,000	
			11/15/24	130,000	3.000%					
			11/15/25	130,000	3.000%					

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS (CONTINUED)**

Year Ended December 31, 2022

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2021	ISSUED	PAID	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT					
General Taxable Bonds Series 2013	10/31/13	1,375,000	11/15/23	30,000	5.000%	65,000	-	35,000	30,000
Taxable Redevelopment General Obligation Bonds Series 2018	11/07/18	3,913,000	11/01/23	115,000	4.500%	3,605,000	-	110,000	3,495,000
			11/01/24	120,000	4.500%				
			11/01/25	125,000	4.500%				
			11/01/26	130,000	4.500%				
			11/01/27	135,000	4.500%				
			11/01/28	140,000	4.500%				
			11/01/29	145,000	4.500%				
			11/01/30	150,000	4.500%				
			11/01/31	155,000	4.500%				
			11/01/32	165,000	4.500%				
			11/01/33	170,000	4.500%				
			11/01/34	175,000	4.500%				
			11/01/35	185,000	4.500%				
			11/01/36	190,000	4.500%				
			11/01/37	195,000	4.500%				
			11/01/38	200,000	4.500%				
			11/01/39	200,000	4.550%				
			11/01/40	200,000	4.600%				
			11/01/41	200,000	4.650%				
			11/01/42	200,000	4.700%				
			11/01/43	200,000	4.750%				

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS (CONTINUED)**

Year Ended December 31, 2022

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2021	ISSUED	PAID	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT					
Taxable General Obligation Refunding Bonds Series 2020	07/22/20	4,090,000	11/15/23	60,000	1.300%	4,000,000		60,000	3,940,000
			11/15/24	125,000	1.300%				
			11/15/25	125,000	1.300%				
			11/15/26	125,000	2.100%				
			11/15/27	175,000	2.100%				
			11/15/28	175,000	2.100%				
			11/15/29	180,000	2.100%				
			11/15/30	230,000	2.100%				
			11/15/31	235,000	2.600%				
			11/15/32	240,000	2.600%				
			11/15/33	240,000	2.600%				
			11/15/34	325,000	2.600%				
			11/15/35	370,000	2.600%				
			11/15/36	380,000	2.600%				
			11/15/37	470,000	2.600%				
			11/15/38	485,000	2.600%				
			Taxable General Obligation Bonds Series 2021	10/29/21	\$4,090,000				
12/31/24	95,000	3.000%							
12/31/25	95,000	3.000%							
12/31/26	100,000	3.000%							
12/31/27	105,000	3.000%							
12/31/28	105,000	2.000%							
12/31/29	110,000	2.000%							
12/31/30	110,000	2.100%							
12/31/31	115,000	2.200%							
12/31/32	120,000	2.300%							
12/31/33	120,000	2.400%							
12/31/34	125,000	2.500%							
12/31/35	130,000	2.600%							
12/31/36	130,000	2.700%							
12/31/37	135,000	2.800%							
12/31/38	140,000	2.850%							
12/31/39	145,000	2.900%							
12/31/40	145,000	2.950%							
12/31/41	150,000	3.000%							
Totals						\$ 14,515,000	\$ -	\$ 820,000	\$ 13,695,000

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C-9

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Year Ended December 31, 2022

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2022
09-11	Restoration of Upper Buttonwood & Woolman	\$ 177,000	\$ -	\$ 177,000	\$ -
16-14	Renovation & Rehabilitation of Mill Dam Park	2,200,000		2,200,000	
17-16	Refunding Bond Ordinance GOB Series 2010	75,000			75,000
21-16	Construction & Improvement of Real Property	570,000		570,000	
22-09	Construction of Improvements at Buttonwood		142,500	142,500	
22-11	Repair & Reconstruction of the Union Mill Dam		199,500	199,200	300
	Total	\$ 3,022,000	\$ 342,000	\$ 3,288,700	\$ 75,300

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D-1

**PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH**

Year Ended December 31, 2022

Balance December 31, 2021		\$	9,458
Increased by:			
Net Payroll & Payroll Deductions	\$	4,667,316	
Due Current Fund		101,703	4,769,019
			<hr/>
Subtotal			4,778,477
Decreased by:			
Net Payroll & Payroll Deductions		4,667,363	
Due Current Fund		100,000	4,767,363
			<hr/>
Balance December 31, 2022		\$	<u>11,114</u>

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-1

**GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN FIXED ASSETS**

Year Ended December 31, 2022

	BALANCE DECEMBER 31, 2021	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2022
General Fixed Assets:				
Land	\$ 7,076,829	\$ -	\$ -	\$ 7,076,829
Buildings & Contents	7,364,885			7,364,885
Vehicles and Equipment	2,900,552	56,764	(18,744)	2,938,572
Total	\$ 17,342,266	\$ 56,764	\$ (18,744)	\$ 17,380,286
Total Investment in General Fixed Assets	\$ 17,342,266	\$ 56,764	\$ (18,744)	\$ 17,380,286

**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**

To the Honorable Mayor and Members
of the Township Council
Township of Mount Holly
County of Burlington
Mount Holly, New Jersey 08060

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Mount Holly (the "Township"), as of and for the year ended December 31, 2022, and the related notes to financial statements, which comprise the Township's basic financial statements, as listed in the table of contents and have issued our report thereon dated September 28, 2023, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

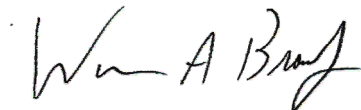
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Warren A. Broudy, CPA, RMA, CGFM, PSA, CGMA, CMFO
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 28, 2023

OTHER SUPPLEMENTARY INFORMATION - UNAUDITED

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE –
CURRENT FUND**

	YEAR 2022		YEAR 2021	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$ 640,000	2.33%	\$ 550,000	1.98%
Miscellaneous - From Other Than Local Property Tax Levies	5,593,828	20.32%	6,465,371	23.29%
Collection of Delinquent Taxes & Tax Title Liens	56,077	0.20%	25,937	0.09%
Collection of Current Tax Levy	21,235,171	77.15%	20,717,145	74.63%
Total Income	27,525,076	100.00%	27,758,453	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	11,186,225	41.92%	10,592,146	40.84%
County Taxes	2,666,104	9.99%	2,647,301	10.21%
Local & Regional School Taxes	11,606,850	43.50%	11,535,414	44.47%
Fire District Taxes	1,217,360	4.56%	1,155,384	4.45%
Other Expenditures	6,451	0.02%	7,782	0.03%
Total Expenditures	26,682,990	100.00%	25,938,027	100.00%
Excess in Revenue to Fund Balance	842,086		1,820,426	
Fund Balance January 1	2,521,138		1,250,712	
Less: Utilization as Anticipated Revenue	640,000		550,000	
Fund Balance December 31	\$ 2,723,224		\$ 2,521,138	

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

COMPARATIVE STATEMENT OF TAX LEVIES AND COLLECTION CURRENTLY

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

YEAR	TAX LEVY	CURRENTLY	
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2022	\$ 21,397,133	\$ 21,235,171	99.24%
2021	20,854,539	20,717,146	99.34%
2020	19,794,647	19,696,831	99.51%
2019	19,244,034	19,112,699	99.32%
2018	18,935,333	18,817,515	99.38%

Comparison of Tax Rate Information

	2022	2021	2020
Total Tax Rate	<u>\$3.238</u>	<u>\$3.185</u>	<u>\$3.061</u>
Apportionment of Tax Rate:			
Municipal	0.866	0.837	0.822
County	0.404	0.406	0.402
Local School	1.337	1.338	1.328
Regional High School	0.444	0.427	0.413
Fire District	0.187	0.177	0.096

Net Valuation Taxable:

2022	<u>\$ 651,671,850</u>		
2021		<u>\$ 653,210,286</u>	
2020			<u>\$ 645,899,878</u>

Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2022	\$ 344,257	\$ 20,486	\$ 364,743	1.70%
2021	285,943	10,918	296,861	1.42%
2020	268,557	14,061	282,618	1.43%

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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>
2022	\$ 490,055
2021	490,805
2020	490,805
2019	490,805
2018	490,805

Comparative Schedule of Fund Balance

<u>Current Fund</u>	<u>December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 2,723,224	\$ 790,000	29.01%
2021	2,521,138	640,000	25.39%
2020	1,250,712	550,000	43.97%
2019	1,461,720	550,000	37.63%
2018	1,373,779	550,000	40.04%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2022:

NAME	TITLE	NAME OF CORPORATE SURETY
Jason Jones	Mayor	
Christopher Banks	Deputy Mayor	
Tara Astor	Committeewoman	
James Codianni	Committeeman	
Lew Brown	Committeeman	
Josh Brown	Township Manager/Administrator	(A)
Denise Muchowski	Certified Finance Officer	(A)
Lisa Hyczka	Tax Collector	(A)
Sherri Groves	Court Administrator	(A)
William Sitzler	Judge of Municipal Court	(A)

(A) Statewide Insurance Fund – Employee is covered up to \$1,000,000 blanket bond under the Township’s crime act policy as allowed per state statute.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF TOWNSHIP'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

PERS - Last 10 Fiscal Years										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	0.0203184966%	0.0196624379%	0.0205342191%	0.0217342262%	0.02009416%	0.0192823090%	0.0188827889%	0.0122733624%	0.0121010123%	0.0145949543%
Township's proportionate share of net pension liability	\$ 3,066,341	2,329,311	3,348,594	3,916,178	3,956,441	4,488,613	5,592,540	2,755,124	2,265,640	2,789,386
Township's covered-employee payroll	1,502,609	1,463,970	1,477,782	1,489,369	1,496,000	1,395,971	1,299,455	1,242,907	884,429	821,892
Township's proportionate share of net pension liability as a % of payroll	204.07%	159.11%	226.60%	262.94%	264.47%	321.54%	430.38%	221.67%	256.17%	339.39%
Total pension liability	8,336,530.62	7,910,844.55	8,070,884.73	9,017,848.61	8,526,268.27	8,648,572.01	9,342,202.81	5,290,994.99	4,728,043.46	5,439,874.45
Plan fiduciary net position	5,244,221.05	5,581,534.01	4,722,290.60	5,074,427.10	4,569,828.33	4,159,958.68	3,749,662.34	2,535,871.07	2,462,403.00	2,650,488.69
Plan fiduciary net position as a % of total pension liability	62.91%	70.56%	58.51%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

PFRS Plan - Last 10 Fiscal Years										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	0.0538528500%	0.0566047362%	0.0552075806%	0.0567546764%	0.0600252238%	0.0454134031%	0.0510600114%	0.0557690262%	0.054694821%	0.051792013%
Township's proportionate share of net pension liability	\$ 6,164,189	\$ 4,137,326	\$ 7,133,548	\$ 6,945,534	\$ 8,122,402	\$ 8,629,734	\$ 9,753,768	\$ 9,289,176	\$ 6,880,101	\$ 6,885,281
State's proportionate share of net pension liability	1,097,045	1,163,622	1,107,094	1,096,698	1,103,294	966,603	819,075	814,629	740,871	\$ 641,792
Township's covered-employee payroll	1,955,859	1,904,512	1,959,356	1,885,092	1,882,095	1,873,646	1,692,770	1,603,016	1,771,103	1,668,689
Township's proportionate share of net pension liability as a % of payroll	315.17%	217.24%	364.08%	368.45%	431.56%	460.59%	576.20%	579.48%	388.46%	412.62%
Total pension liability	22,928,218.01	23,314,972.80	21,483,837.11	22,975,162.35	24,586,363.57	18,833,478.89	22,030,633.47	23,124,328.26	20,273,286.97	18,223,225.48
Plan fiduciary net position	15,666,984.06	18,014,024.40	14,350,289.56	14,932,914.81	15,360,667.18	11,037,241.82	11,457,790.57	13,020,522.94	12,652,314.55	10,696,152.93
Plan fiduciary net position as a % of total pension liability	68.33%	77.26%	66.80%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF TOWNSHIP'S CONTRIBUTION

PERS - Last 10 Fiscal Years										
	Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 256,226	\$ 230,270	\$ 224,634	\$ 211,410	\$ 199,872	\$ 178,630	\$ 167,752	\$ 105,518	\$ 99,759	\$ 109,970
Contributions in relation to the contractually required contribution	256,226	230,270	224,634	211,410	199,872	178,630	167,752	105,518	99,759	109,970
Township's covered-employee payroll	1,502,609	1,463,970	1,477,782	1,489,369	1,496,000	1,395,971	1,299,455	1,242,907	884,429	821,892
Contributions as a % of covered-employee payroll	17.05%	15.73%	15.20%	14.19%	13.36%	12.80%	12.91%	8.49%	11.28%	13.38%

PFRS - Last 10 Fiscal Years										
	Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 700,385	\$ 659,708	\$ 616,763	\$ 573,285	\$ 586,835	\$ 494,717	\$ 416,313	\$ 453,319	\$ 420,094	\$ 377,863
Contributions in relation to the contractually required contribution	700,385	659,708	616,763	573,285	586,835	494,717	416,313	453,319	420,094	377,863
Township's covered-employee payroll	1,955,859	1,904,512	1,959,356	1,885,092	1,882,095	1,873,646	1,692,770	1,603,016	1,771,103	1,668,689
Contributions as a % of covered-employee payroll	35.81%	34.64%	31.48%	30.41%	31.18%	26.40%	24.59%	28.28%	23.72%	22.64%

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF TOWNSHIP'S PROPORTIONATE SHARE OF NET OPEB LIABILITY

	Last 6 Fiscal Years*					
	2022	2021	2020	2019	2018	2017
Township's proportion of the net OPEB liability	0.051762%	0.053056%	N/A	N/A	N/A	N/A
State's proportion of the net OPEB liability	0.158151%	0.160010%	0.201696%	0.164363%	0.165400%	0.158074%
Township's proportionate share of net OPEB liability	\$ 8,359,354	\$ 9,549,964	N/A	N/A	N/A	N/A
State's proportionate share of net OPEB liability	5,335,714	6,178,559	\$ 11,017,247	\$ 9,082,237	\$ 10,277,699	\$ 13,745,187
Contributions	\$ 38,976	\$ 31,507	N/A	N/A	N/A	N/A

* The OPEB schedules are intended to show information for ten years. The State of New Jersey has issued six years of OPEB information to the Township. Additional years' information will be displayed as it becomes available.

To the Honorable Mayor and
Members of the Township Council
Township of Mount Holly
Mount Holly, New Jersey 08060

We have audited the financial statements and transactions of the Township of Mount Holly in the County of Burlington for the year ended December 31, 2022. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

GENERAL COMMENTS AND RESPONSES

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

N.J.S.A. 40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate base bid threshold of \$44,000 except by contract or agreement. The base bid and quote thresholds have been increased because the Township appointed a temporary Qualified Purchasing Agent.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S.A. 40A:11-5.

Inasmuch 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.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,600 "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 provision of N.J.S.A. 40A:11-6.1.

Collection of Interest on Delinquent Taxes

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

The governing body on January 3, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Committee of the Township of Mount Holly, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2022, included 2021, 2020, and 2019 real estate taxes only.

The last tax sale was held on December 13, 2022, and was complete.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Township, County or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Capital Ordinances and Grant Balances

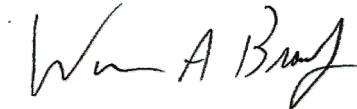
While auditing the grants receivable it is recommended that management review the disposition of older grant balances, capital ordinances and cancel them as needed.

Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments, or should you desire any assistance, please call me.

Respectfully submitted,

A handwritten signature in black ink that reads "Warren A. Broudy". The signature is written in a cursive style with a large, stylized 'W' and 'B'.

Warren A. Broudy, Certified Public Accountant
Registered Municipal Accountant No. CR554

September 28, 2023

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None noted.

**TOWNSHIP OF MOUNT HOLLY
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding 2021-01

Condition:

It was noted while testing the Township's State medical health coverage that premiums were paid for an individual that was no longer an employee of the Township.

Status:

This condition has been resolved in the current year.