

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2021

**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, 2021, 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, 2021, and the regulatory basis revenues, expenditures and 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 to the financial statements.

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, 2021, 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)

Report on Summarized Comparative Information

We have previously audited the Township's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2021, 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, 2020, 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 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 auditing standards generally accepted in the United States of America. 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 supplementary information and statistical section, 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.

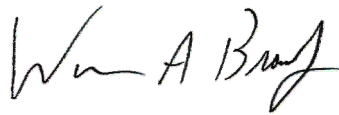
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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, August 31, 2022, 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**

A handwritten signature in black ink, appearing to read "Warren A. Broudy". The signature is written in a cursive style with a large initial "W".

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

August 31, 2022

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, 2021 and 2020

	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Regular Fund:			
Cash:			
Chief Financial Officer	A-4	\$ 3,242,879	\$ 3,043,031
Change Fund		750	750
Total Regular Fund		<u>3,243,629</u>	<u>3,043,781</u>
Due from State of New Jersey for Senior Citizen & Veteran Deductions		<u>7,686</u>	<u>9,436</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	10,918	14,061
Tax Title Liens Receivable	A-6	285,943	268,557
Property Acquired for Taxes - Assessed Valuation	A-7	490,055	490,055
Prepaid Fire District Taxes	A	798	-
Property Maintenance Receivable	A-8	5,136	816
Revenue Accounts Receivable	A-9	5,667	5,355
Interfunds Receivable:			
Due From State and Federal Grants	A	50,210	379,058
Due From Animal Control Fund	B	2,716	5,577
Due From Trust Other	B	21,101	8,679
Due From Payroll Fund	D	-	7,552
Due From General Capital Fund	C	<u>2,775</u>	<u>1,844</u>
Total Receivables & Other Assets With Full Reserves	A	<u>875,319</u>	<u>1,181,554</u>
Subtotal		<u>4,126,634</u>	<u>4,234,771</u>
Federal & State Grant Fund:			
Cash	A-4	705,459	132,264
Federal & State Aid Receivable	A-13	<u>1,915,799</u>	<u>2,317,823</u>
Total Federal & State Grant Fund		<u>2,621,258</u>	<u>2,450,087</u>
Total Assets		<u>\$ 6,747,892</u>	<u>\$ 6,684,858</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, 2021 and 2020

<u>LIABILITIES, RESERVES & FUND BALANCE</u>	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 390,950	\$ 885,393
Reserve for Encumbrances	A-3	125,363	190,167
Accounts Payable	A	35,737	-
Prepaid Taxes		142,028	161,882
Tax Overpayments		6,406	2,263
Due County for Added & Omitted Taxes	A-5	6,384	3,103
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		1,875	1,570
Due to Mount Holly MUA		4,303	4,612
Interfunds Payable:			
Due to Trust Fund	B	-	502,677
Due to Payroll Fund	D	1,606	-
Reserve for Master Plan		15,513	15,513
Reserve for Flood		6	35,319
 Total Liabilities		 <u>730,177</u>	 <u>1,802,505</u>
 Reserves for Receivables & Other Assets	A	 875,319	 1,181,554
Fund Balance	A-1	<u>2,521,138</u>	<u>1,250,712</u>
 Subtotal		 <u>4,126,634</u>	 <u>4,234,771</u>
Federal & State Grant Fund:			
Reserve for Encumbrances	A-14	232,261	49,107
Appropriated Reserves	A-14	1,714,737	2,021,922
Unappropriated Reserves	A-15	624,050	-
Due to Current Fund	A	50,210	379,058
 Total Federal & State Grant Fund		 <u>2,621,258</u>	 <u>2,450,087</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 6,747,892</u>	 <u>\$ 6,684,858</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>REVENUE & OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 550,000	\$ 550,000
Miscellaneous Revenue Anticipated	4,436,454	4,736,771
Receipts From Delinquent Taxes	25,937	12,777
Receipts From Current Taxes	20,717,145	19,696,831
Nonbudget Revenue	955,497	343,389
Other Credits to Income:		
Statutory Excess in Dog Licenses	2,463	5,458
Unexpended Balance of Appropriation Reserves	712,405	212,034
Interfund Liquidated	358,552	18,247
Tax Overpayments Canceled	-	5,637
	<u>27,758,453</u>	<u>25,581,144</u>
<u>EXPENDITURES</u>		
Budget & Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	4,012,159	4,084,441
Other Expenses	3,594,842	3,526,560
Deferred Charges & Statutory Expenditures	1,023,898	958,268
Operations Excluded From "CAPS":		
Salaries and Wages	326,508	325,434
Other Expenses	239,507	452,015
Capital Improvements	97,000	88,000
Municipal Debt Service	1,230,234	1,276,550
Transferred to Board of Education	67,998	68,014
County Taxes	2,640,917	2,587,388
Due County for Added & Omitted	6,384	3,103
Local District School Tax	8,744,427	8,583,134
Regional High School Taxes	2,790,987	2,667,984
Special Fire District Taxes	1,155,384	617,845
Senior Citizens & Veterans Deductions Disallowed	7,782	-
Refund of Prior Year Revenue	-	10
Interfunds Created	-	3,406
	<u>25,938,027</u>	<u>25,242,152</u>
Excess in Revenue to Fund Balance	<u>1,820,426</u>	<u>338,992</u>
Fund Balance - Balance January 1	1,250,712	1,461,720
Decreased by: Utilization as Anticipated Revenue	<u>550,000</u>	<u>550,000</u>
Balance December 31	<u>\$ 2,521,138</u>	<u>\$ 1,250,712</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, 2021

	ANTICIPATED BUDGET	SPECIAL N.J.S.A. 40:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 550,000	\$ -	\$ 550,000	\$ -
MISCELLANEOUS REVENUES				
Licenses - Alcoholic Beverages	22,750	-	22,876	126
Licenses - Other	10,095	-	5,325	(4,770)
Fees & Permits	251,253	-	211,039	(40,214)
Municipal Court Fines & Costs	227,951	-	93,438	(134,513)
Interest & Costs on Taxes	86,176	-	67,947	(18,229)
Interest on Investments & Deposits	64,176	-	75,310	11,134
Housing Inspection Fees	121,781	-	109,980	(11,801)
Consolidated Municipal Property				
Tax Relief	84,351	-	84,351	-
Energy Receipts Tax	1,434,180	-	1,434,180	-
Drunk Driving Enforcement	2,794	-	2,794	-
Urban Enterprise Zone	50,000	-	50,000	-
NJDOT Grant	276,508	-	276,508	-
Statewide Insurance Fund Safety Grant	4,201	-	4,201	-
Safe and Secure Communities Grant	-	32,400	32,400	-
State Body Worn Camera	-	67,254	67,254	-
Clean Communities Grant	-	19,577	19,577	-
Community Development Block Grant	-	107,000	107,000	-
Body Armor Grant	-	2,035	2,035	-
State Rental of Parking Lots	9,288	-	1,347	(7,941)
Construction Code Office - Indirect				
Costs	21,000	-	21,000	-
Mt. Holly Memorial Health Alliance	240,000	-	346,616	106,616
County Rental of Parking Lots	98,203	-	98,203	-
Payment in Lieu of Taxes:				
Mt. Holly Sewerage Authority	308,000	-	308,000	-
West Rancocas	200,000	-	118,728	(81,272)
Senior Housing	15,000	-	15,300	300
Legacy/Children's Home	30,000	-	30,000	-
Regency Park	145,000	-	161,174	16,174
Fermeer	390,000	-	305,172	(84,828)

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

A-2

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

Year Ended December 31, 2021

	<u>ANTICIPATED BUDGET</u>	<u>SPECIAL N.J.S.A. 40:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
MISCELLANEOUS REVENUES (CONTINUED)				
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	107,063	-	107,063	-
Total	<u>4,457,386</u>	<u>228,266</u>	<u>4,436,454</u>	<u>(249,198)</u>
Receipts from Delinquent Taxes	<u>7,000</u>	<u>-</u>	<u>25,937</u>	<u>18,937</u>
Amount to be Raised by Support of Municipal Budget	<u>5,471,117</u>	<u>-</u>	<u>5,500,254</u>	<u>29,137</u>
Budget Totals	10,485,503	228,266	10,512,645	<u>\$ (201,124)</u>
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>955,497</u>	
TOTAL REVENUES	<u>\$ 10,485,503</u>	<u>\$ 228,266</u>	<u>\$ 11,468,142</u>	

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

A-2

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

Year Ended December 31, 2021

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 20,717,145
Allocated to School, County & Fire District Taxes	<u>15,338,099</u>
Balance for Support of Municipal Budget Appropriations	5,379,046
Increased by Appropriation - Reserve for Uncollected Taxes	<u>121,208</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 5,500,254</u></u>
Receipts from Delinquent Taxes:	
Taxes Receivable	\$ 3,166
Tax Title Lien Receivable	<u>22,771</u>
Total	<u><u>\$ 25,937</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenues Not Anticipated:	
Police Fees	\$ 10,284
Street Openings	10,950
State DMV Fees	950
Pilot Payments	41,905
Senior Citizen & Vets Administrative Fee	1,354
Tax Search Fees	300
Sale of Property	878,000
Sale of Vehicles	4,032
Refunds	466
Miscellaneous	<u>7,256</u>
Total	<u><u>\$ 955,497</u></u>

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

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2021

<u>OPERATIONS</u>	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>	<u>OVER- EXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>		
General Government:						
Administrative & Executive:						
Salaries and Wages	\$ 157,700	\$ 158,500	\$ 158,414	\$ 86	\$ -	\$ -
Other Expenses	159,750	159,750	152,924	6,826	-	-
Mayor and Council:						
Salaries and Wages	22,500	22,500	21,141	1,359	-	-
Other Expenses	500	500	-	500	-	-
Township Clerk:						
Salaries and Wages	102,900	91,200	91,200	-	-	-
Other Expenses	34,000	38,000	29,325	8,675	-	-
Financial Administration:						
Salaries and Wages	99,897	99,897	84,897	15,000	-	-
Other Expenses	37,350	37,350	26,407	10,943	-	-
Audit Services	37,000	37,000	37,000	-	-	-
Revenue Administration (Tax Collection):						
Salaries and Wages	153,936	153,936	146,586	7,350	-	-
Other Expenses	28,500	28,500	14,490	14,010	-	-
Assessment of Taxes:						
Salaries and Wages	16,892	16,892	16,892	-	-	-
Other Expenses	26,900	26,900	5,684	21,216	-	-
Legal Services & Costs:						
Other Expenses	206,000	206,000	191,882	14,118	-	-
Engineering Services & Costs:						
Other Expenses	402,500	327,500	305,991	21,509	-	-
Historical Preservation Committee:						
Other Expenses	3,000	3,000	-	3,000	-	-
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	13,200	13,200	8,201	4,999	-	-
Other Expenses	13,200	8,700	8,397	303	-	-
Code Enforcement and Administration:						
Inspection of Housing:						
Salaries and Wages	129,344	109,344	106,105	3,239	-	-
Other Expenses	1,500	1,500	190	1,310	-	-
Insurance:						
Employee Group Health Insurance	764,298	789,298	765,420	23,878	-	-
General Liability Insurance	173,853	173,853	156,024	17,829	-	-
Workers Compensation	194,716	194,716	194,357	359	-	-
Medical Waiver	6,000	6,000	3,850	2,150	-	-
Public Safety:						
Police:						
Salaries & Wages	2,650,827	2,515,827	2,513,264	2,563	-	-
Other Expenses	113,950	113,950	90,955	22,995	-	-
Emergency Management:						
Other Expenses	1,500	1,500	1,500	-	-	-
Public Works Functions:						
Streets & Road Maintenance:						
Salaries & Wages	564,444	564,444	552,351	12,093	-	-
Other Expenses	92,200	92,200	90,697	1,503	-	-

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

A-3

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

Year Ended December 31, 2021

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Public Works Functions (continued):						
Public Buildings & Grounds:						
Salaries & Wages	\$ 12,500	\$ 10,500	\$ 10,030	\$ 470	\$ -	\$ -
Other Expenses	15,000	50,000	49,404	596	-	-
Vehicle Maintenance:						
Other Expenses	45,000	51,000	44,385	6,615	-	-
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	67,663	57,663	47,637	10,026	-	-
Other Expenses	3,000	3,000	2,268	732	-	-
Celebration of Public Events:						
Other Expenses	20,000	20,000	20,000	-	-	-
Municipal Court:						
Municipal Court:						
Salaries and Wages	176,256	176,256	175,572	684	-	-
Other Expenses	12,750	12,750	6,158	6,592	-	-
Municipal Prosecutor:						
Salaries and Wages	22,000	22,000	20,166	1,834	-	-
Public Defender:						
Other Expenses - Contractual	525	525	-	525	-	-
Utility Expenses & Bulk Purchase:						
Electricity	45,000	42,000	34,020	7,980	-	-
Street Lighting	195,000	245,000	225,426	19,574	-	-
Telecommunication Costs	45,000	47,000	46,590	410	-	-
Water	8,500	8,500	6,347	2,153	-	-
Gasoline	50,000	65,000	58,830	6,170	-	-
Landfill/Solid Waste:						
Garbage & Trash Removal:						
Other Expenses	325,750	421,150	348,187	72,963	-	-
Sanitary Landfill:						
Contractual	340,000	357,000	324,441	32,559	-	-
Unclassified:						
Accumulated Absences	10,000	10,000	10,000	-	-	-
Contingency	1,500	1,500	1,500	-	-	-
Total Operations Within "CAPS"	7,618,001	7,607,001	7,217,105	389,896	-	-
Total Operations Including Contingent Within "CAPS"	7,618,001	7,607,001	7,217,105	389,896	-	-
Detail:						
Salaries and Wages	4,190,059	4,012,159	3,952,456	59,703	-	-
Other Expenses (Including Contingent)	3,427,942	3,594,842	3,264,649	330,193	-	-

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

A-3

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

Year Ended December 31, 2021

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Public Employees Retirement System	224,635	224,635	224,635	-	-	-
Police & Fire Pension Fund	616,763	616,763	616,763	-	-	-
Social Security System (O.A.S.I.)	155,000	165,000	164,414	586	-	-
DCRP	1,500	2,500	2,406	94	-	-
Unemployment Fund	15,000	15,000	14,626	374	-	-
Total Deferred Charges & Statutory Expenditures	1,012,898	1,023,898	1,022,844	1,054	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	8,630,899	8,630,899	8,239,949	390,950	-	-
Mandated Expenditures Excluded From "CAPS":						
Other Operations - Excluded From "CAPS"						
Public and Private Programs Offset by Revenues:						
Supplemental Fire Services	4,246	4,246	4,246	-	-	-
NJ Urban Enterprise Zone:						
Police Patrol	50,000	50,000	50,000	-	-	-
Clean Communities Program	-	19,577	19,577	-	-	-
NJ DOT - Levis Drive	276,508	276,508	276,508	-	-	-
Body Armor Grant	-	2,035	2,035	-	-	-
Body-Worn Camera Grant	-	67,254	67,254	-	-	-
Statewide Insurance Fund Safety Grant	4,201	4,201	4,201	-	-	-
Drunk Driving Enforcement Grant	2,794	2,794	2,794	-	-	-
Safe & Secure	-	32,400	32,400	-	-	-
Community Development Block Grant	-	107,000	107,000	-	-	-
Total Operations Excluded from "CAPS"	337,749	566,015	566,015	-	-	-
Detail:						
Salary and Wages	326,508	326,508	326,508	-	-	-
Other Expenses	11,241	239,507	239,507	-	-	-
Capital Improvements Excluded from "CAPS"						
Capital Improvements:						
Public Works Equipment	97,000	97,000	97,000	-	-	-
Total Capital Improvement Excluded "CAPS"	97,000	97,000	97,000	-	-	-

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

A-3

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

Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - Excluded from "CAPS"						
Municipal Debt Service:						
Payment of Bond Principal	710,000	710,000	710,000	-	-	-
Interest on Bonds	415,220	415,220	414,806	-	414	-
Payment of Bond Anticipation Notes	55,100	55,100	55,100	-	-	-
Interest on Notes	42,495	42,495	42,495	-	-	-
Loan Repayment for Principal & Interest	7,834	7,834	7,833	-	1	-
Total Municipal Debt Service	1,230,649	1,230,649	1,230,234	-	415	-
Total General Appropriations - Municipal Purposes - Excluded From "CAPS"	1,665,398	1,893,664	1,893,249	-	415	-
Subtotal General Appropriation Items	10,296,297	10,524,563	10,133,198	390,950	415	-
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	121,208	121,208	121,208	-	-	-
Total General Appropriations	<u>\$ 10,485,503</u>	<u>\$ 10,713,769</u>	<u>\$ 10,322,404</u>	<u>\$ 390,950</u>	<u>\$ 415</u>	<u>\$ -</u>
Budget		\$ 10,485,503				
Appropriation by 40A:4-87		<u>228,266</u>				
Total		<u>\$ 10,713,769</u>				
Deferred Charges:						
Reserve for Uncollected Taxes			\$ 121,208			
Federal and State Grant Funds			561,769			
Due to Payroll			1,606			
Reserve for Encumbrances			125,363			
Refunds			(498,784)			
Disbursed			<u>10,011,242</u>			
Total			<u>\$ 10,322,404</u>			

See notes to financial statements.

**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, 2021 and 2020

	<u>REFERENCE</u>	2021	2020
<u>ASSETS</u>			
Dog License Fund:			
Cash - Chief Financial Officer	B-1	\$ 12,122	\$ 16,313
Total Dog License Fund		<u>12,122</u>	<u>16,313</u>
Other Funds:			
Cash - Chief Financial Officer	B-1	2,859,524	1,121,156
Due from Current Fund	B-7	-	493,998
Foregivable Mortgage Receivable	B	669,053	761,918
Total Other Funds		<u>3,528,577</u>	<u>2,377,072</u>
Total Assets		<u>\$ 3,540,699</u>	<u>\$ 2,393,385</u>
<u>LIABILITIES & RESERVES</u>			
Dog License Fund:			
Due to Current Fund	A	\$ 2,716	\$ 5,577
Due to State of New Jersey	B-6	312	773
Reserve for Dog Fund Expenditures	B-2	9,094	9,963
Total Dog License Fund		<u>12,122</u>	<u>16,313</u>
Other Funds:			
Due to Current Fund	B-7	21,101	-
Due to State of New Jersey		26,270	25,457
Reserve for:			
Foregivable Mortgage Receivable	B	669,053	761,918
Tax Sale Premiums	B-4	1,506,100	653,000
Recreation Commission Funds	B-8	29,520	33,625
Law Enforcement Trust Fund	B-8	14,676	13,197
Federal & State Grants	B-8	31,556	31,556
Builder's Escrow	B-8	197,093	172,510
Recycling Program	B-8	8,897	9,209
Uniform Construction Code	B-5	364,215	107,325
Outside Police Services	B-8	289,931	298,083
Snow Removal	B-8	39,788	33,859
Public Defender	B-8	7,613	15,690
P.O.A.A. - Parking Fines	B-8	10,453	14,778
Redemption of Tax Sale Certificates	B-3	71,027	82,024
RCA Trust	B-8	175,182	68,740
Environmental Committee	B-8	996	996
Shade Tree	B-8	41	40
Compensated Absences	B-8	65,065	55,065
Total Other Funds		<u>3,528,577</u>	<u>2,377,072</u>
Total Liabilities & Reserves		<u>\$ 3,540,699</u>	<u>\$ 2,393,385</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, 2021 and 2020

	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash & Investments	C-2	\$ 85,006	\$ 228,153
Deferred Charges to Future Taxation:			
Funded		14,515,000	12,882,411
Unfunded	C-4	4,258,300	6,098,400
 Total Assets		<u>\$ 18,858,306</u>	<u>\$ 19,208,964</u>
 <u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Due to Current Fund	A	\$ 2,775	\$ 1,844
Green Acres Loan Payable	C-9	-	12,411
Bond Anticipation Notes	C-7	1,236,300	3,646,400
Serial Bonds	C-8	14,515,000	12,870,000
Improvement Authorizations:			
Funded	C-6	31,463	1,463
Unfunded	C-6	2,911,244	2,490,161
Capital Improvement Fund	C-5	124	30,124
Fund Balance	C-1	161,400	156,561
 Total Liabilities, Reserves & Fund Balance		<u>\$ 18,858,306</u>	<u>\$ 19,208,964</u>
 Bonds and Notes Authorized But Not Issued	C-10	<u>\$ 3,022,000</u>	<u>\$ 2,452,000</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, 2021

Balance December 31, 2020	\$	156,561
Increased by:		
Premium		<u>4,839</u>
Balance December 31, 2021	\$	<u><u>161,400</u></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, 2021 and 2020

	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash - Chief Financial Officer	D-1	\$ 9,458	\$ 8,150
Due from Current Fund	A	<u>1,606</u>	<u>-</u>
Total		<u>\$ 11,064</u>	<u>\$ 8,150</u>
 <u>LIABILITIES</u>			
Payroll Taxes Payable		\$ 11,064	\$ 598
Due to Current Fund	A	<u>-</u>	<u>7,552</u>
Total		<u>\$ 11,064</u>	<u>\$ 8,150</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
General Fixed Assets		
Land	\$ 7,076,829	\$ 1,835,735
Buildings & Contents	7,364,885	9,052,860
Vehicles & Equipment	<u>2,900,552</u>	<u>6,380,948</u>
 Total	 <u>\$ 17,342,266</u>	 <u>\$ 17,269,543</u>
 <u>RESERVES</u>		
Investment in General Fixed Assets	 <u>\$ 17,342,266</u>	 <u>\$ 17,269,543</u>

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 capitals have 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, 2021, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes	\$ 3,022,000
--	--------------

C. CURRENT FUND BALANCE APPROPRIATED

The following amounts of fund balance at December 31, 2021, were anticipated as revenue in the adopted 2022 budget:

	Balance December 31, 2021	Utilized 2022 Budget
Current Fund	\$ 2,521,138	\$ 640,000

D. DEFERRED CHARGES TO BE RAISED IN SUCCEEDED BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, 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, 2021.

**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, 2021, and reported book balances are as follows:

Type Deposits	Book Balances
Demand Deposits	\$ 6,915,198
Total Deposits	<u>\$ 6,915,198</u>

Type	Book Balances
Demand Deposits by Fund	
Current	\$ 3,243,629
Federal and State Grants	705,459
Dog Trust	12,122
Other Trust	2,859,524
Payroll	9,458
General Capital	<u>85,006</u>
Total	<u>\$ 6,915,198</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, 2021, the Township's bank balance of \$6,152,407 was insured or collateralized as follows:

Insured	\$ 484,980
Collateralized in the Township's name under GUDPA (see Note G)	<u>5,667,427</u>
Total	<u>\$ 6,152,407</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 2021 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

The GASB Statement No. 68 report of the State of New Jersey PFRS for the period ended June 30, 2021, was not available as of the date of this report. Per Local Finance Notice 2022-12, issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, calendar year municipalities are able to include in their annual audits the most recent audited GASB Statement No. 68 PFRS information published by the Division. Thus, the Township included in the note below their December 31, 2020, disclosures based on the period ended June 30, 2020, audited PFRS information. The period ended June 30, 2021, PERS report was available and included in the disclosures below.

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 is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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 the 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 if 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 \$230,270 for 2021. The employee contribution rate for PERS was 7.50% effective July 1, 2018. Township contributions to PFRS amounted to \$616,763 for 2020. 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, 2020, was .05521% and \$1,107,094. Unaudited State contributions and pension expense for the year ended December 31, 2020, was \$85,190 and \$125,467, 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, 2021, the Township's contributions were \$2,406. 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, 2021, the Township had a liability of \$2,329,311 for its proportionate share of the net pension liability in PERS and at plan year ended June 30, 2020, the Township had a liability of \$7,133,548 for its proportionate share of the net pension liability in PFRS. The PERS net pension liability was measured as of June 30, 2021, 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, 2020, 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, 2021, the Township's PERS proportion was 0.01966%, which was a decrease of 0.00087 from its proportion measured as of plan year ended June 30, 2020. At plan year ended June 30, 2020, the Township's PFRS proportion was 0.05521% which was a decrease of 0.00154 from its proportion measured as of plan year ended June 30, 2019. The Township's PERS pension expense for the plan year ended June 30, 2021, was a net credit of \$770,018. The Township's PERS pension expense for the plan year ended June 30, 2021, was a net credit of \$153,444. The Township's PFRS pension expense for the plan year ended June 30, 2020, was \$417,095.

At December 31, 2021, 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, 2021		PFRS as of Plan Year Ended June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 36,736	\$ 16,675	\$ 71,918	\$ 25,601
Changes of Assumptions	12,131	829,250	17,952	1,912,461
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	613,602	418,273	-
Changes in Proportion	218,225	318,522	519,602	615,897
	<u>\$ 267,092</u>	<u>\$ 1,778,049</u>	<u>\$ 1,027,745</u>	<u>\$ 2,553,959</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	
Years Ending June 30,		Years Ending June 30,	
2022	\$ (549,616)	2021	\$ (667,294)
2023	(392,424)	2022	(450,343)
2024	(267,567)	2023	(183,338)
2025	(201,131)	2024	(69,258)
2026	77	2025	(59,686)
	<u>\$ (1,410,660)</u>		<u>\$ (1,429,919)</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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 for the years 2021, 2020, 2019, 2018, 2017 and 2016, respectively.

Actuarial Assumptions - The total PERS pension liability for the plan year ended June 30, 2021, and the total PFRS pension liability for the plan year ended June 30, 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS - 2021</u>	<u>PFRS - 2020</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through 2026 (based on years of service)	2.00 - 6.00%	
Thereafter (based on years of service)	3.00 - 7.00%	
Through all future years (based on years of service)		3.00 - 15.25%
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, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

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

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at plan year ended June 30, 2021 for PERS and June 30, 2020 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 - 2021	PFRS - 2020
		Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.71%	8.57%
Emerging Market Equity	5.50%	10.96%	10.23%
Private Equity	13.00%	11.30%	11.42%
Real Assets	3.00%	7.40%	9.73%
Real Estate	8.00%	9.15%	9.56%
High Yield	2.00%	3.75%	5.95%
Private Credit	8.00%	7.60%	7.59%
Investment Grade Credit	8.00%	1.68%	2.67%
Cash Equivalents	4.00%	0.50%	0.50%
U.S. Treasuries	5.00%	0.95%	1.94%
Risk Mitigation Strategies	3.00%	3.35%	3.40%
	<u>100.00%</u>		

**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, 2021. 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, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2021	\$ 3,172,049	\$ 2,329,311	\$ 1,614,128
	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, 2020	\$ 9,486,151	\$ 7,133,548	\$ 5,179,532

**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, 2021, is as follows:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 76,802	\$ 1,606
Federal and State Grant Fund	-	50,210
General Capital Fund	-	2,775
Payroll Fund	1,606	-
Trust Fund - Animal Control	-	2,716
Trust Other Funds	-	21,101
Total Funds	<u>\$ 78,408</u>	<u>\$ 78,408</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, 2021, the following changes occurred in long-term debt including loans:

	Balance December 31, 2020	Issued	Reduction	Balance December 31, 2021
General Capital				
Serial Bonds	\$ 12,870,000	\$2,355,000	\$ 710,000	\$ 14,515,000
Green Acres Loan	12,411	-	12,411	-
Total	<u>\$ 12,882,411</u>	<u>\$2,355,000</u>	<u>\$ 722,411</u>	<u>\$ 14,515,000</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, 2021, consists of the following:

Date of Issue	Purpose	Maturities	Interest Rate	Amount
October 31, 2013	General Obligation	2021 to 2025	Various	\$ 520,000
October 31, 2013	General Taxable Bonds	2021 to 2038	Various	65,000
September 27, 2017	Refund Bond Series 2010	2021 to 2030	Various	3,970,000
November 7, 2018	General Obligation 2018	2021 to 2043	Various	3,605,000
July 22, 2020	Taxable General Obligation Refunding	2021 to 2038	Various	4,000,000
October 29, 2021	Taxable General Obligation Refunding	2021 to 2041	Various	2,355,000
				<u>\$ 14,515,000</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
2022	\$ 820,000	\$ 456,071	\$ 1,276,071
2023	830,000	435,108	1,265,108
2024	885,000	409,629	1,294,629
2025	900,000	383,398	1,283,398
2026	795,000	356,029	1,151,029
2027-2031	4,155,000	1,371,447	5,526,447
2032-2036	3,065,000	852,603	3,917,603
2037-2041	2,665,000	333,300	2,998,300
2042-2043	400,000	28,400	428,400
Total	<u>\$ 14,515,000</u>	<u>\$ 4,625,985</u>	<u>\$ 19,140,985</u>

Bond Anticipation Notes issued as of December 31, 2021, are as follows:

Interest	Purpose	Rate	Amount
General Capital Fund	Various Capital Improvements	0.330%	\$ 476,300
General Capital Fund	Replacement of Buttonwood Dam	0.330%	760,000
Total			<u>\$ 1,236,300</u>

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, 2021, was 2.830%. The Township's remaining borrowing power is .670%.

**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>2021</u>	<u>2020</u>	<u>2019</u>
Issued -			
General - Bonds and Notes	\$ 15,751,300	\$ 16,528,811	\$ 16,345,051
Net Debt Issued	<u>15,751,300</u>	<u>16,528,811</u>	<u>16,345,051</u>
Authorized But Not Issued:			
General - Bonds and Notes	<u>3,022,000</u>	<u>2,452,000</u>	<u>2,452,000</u>
Net Debt	<u>\$ 18,773,300</u>	<u>\$ 18,980,811</u>	<u>\$ 18,797,051</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 2.830%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District	\$ 4,229,019	\$ 4,229,019	\$ -
Local School District	5,215,000	5,215,000	-
General Debt	<u>18,773,300</u>	<u>-</u>	<u>18,773,300</u>
Total	<u>\$ 28,217,319</u>	<u>\$ 9,444,019</u>	<u>\$ 18,773,300</u>

Net debt, \$18,773,300 divided by Equalized Valuation Basis Per N.J.S.A. 40A:2-2 as amended, \$663,357,550 equals 2.830%.

Equalized Valuation Basis:

2021	\$ 689,003,089
2020	656,867,659
2019	<u>644,201,901</u>
Average	<u>\$ 663,357,550</u>

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

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

NOTES TO FINANCIAL STATEMENTS

L. GENERAL LONG-TERM DEBT (CONTINUED)

Capital Lease Obligations

At December 31, 2021, the Township had a capital lease agreement in effect for eleven copiers.

Capital Leases – Future minimum payments under a capital lease agreement for eleven copiers are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 10,194
2023	10,194
2024	<u>850</u>
Total Minimum Lease Payments	21,238
Less: Amount Representing Interest	<u>1,300</u>
Principal Value of Net Minimum Lease Payments	<u>\$ 19,938</u>

Lease payments under capital leases for the years 2021 and 2020 were \$10,194 and \$10,194, respectively.

Operating Leases:

On December 30, 2017, the Township entered into an operating lease for a mail machine. As of December 31, 2021, the minimum lease payments for the operating lease are as follows:

<u>Fiscal Years Ending December 31,</u>	<u>Minimum Annual Lease Payments</u>
2022	<u>\$ 3,931</u>
Total	<u>\$ 3,931</u>

M. FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2021:

	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassified</u>	<u>Balance December 31, 2021</u>
Land	\$ 1,835,735	\$ 176,000	\$ -	\$ 5,065,094	\$ 7,076,829
Buildings and Contents	9,052,860	457,000	39,000	(2,105,975)	7,364,885
Vehicles and Equipment	6,380,948	-	521,277	(2,959,119)	2,900,552
Total	<u>\$ 17,269,543</u>	<u>\$ 633,000</u>	<u>\$ 560,277</u>	<u>\$ -</u>	<u>\$ 17,342,266</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, 2021, is as follows:

Vacation Time and Sick Time:	
Employees' Accrual	\$239,578
Township Share of Payroll Taxes	9,379

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 Utility 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, 80 townhomes with 12,000 square feet of commercial space yet to be sold and built. The net proceeds recognized as revenue as of December 31, 2021 was \$878,000.

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, 2021, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

S. FORGIVABLE MORTGAGE RECEIVABLE (CONTINUED)

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, 2021, is \$669,053.

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 49 at December 31, 2020.

The GASB Statement No. 75 report of the SHBP for the period ended June 30, 2021, was not available as of the date of this report. Per Local Finance Notice 2022-12, issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, calendar year municipalities are able to include in their annual audits the most recent audited GASB Statement No. 75 information published by the Division. Thus, the Township included in the note below their December 31, 2020, applicable disclosures based on the period ended June 30, 2020, audited SHBP information.

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>.

**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, 2020, was .0201696% and \$11,017,247. Unaudited State pension expense for the year ended December 31, 2020, was a credit balance of \$548,441.

U. SUBSEQUENT EVENTS

The American Rescue Plan Act of 2021 was signed on March 11, 2021, and authorized federal funding to provide direct financial relief funds to the public in response to COVID-19. Included in the plan was \$130 billion in emergency funding for local government entities. Of the funding provided for local governments in the State of New Jersey, \$999,270.69 was allocated to the Township, split evenly between 2021 and 2022.

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, 2021

	<u>CURRENT FUND</u>	<u>FEDERAL & STATE GRANT FUND</u>
Balance December 31, 2020	\$ 3,043,031	\$ 132,264
Increased by Receipts:		
Taxes Receivable	\$ 20,444,531	\$ -
Tax Title Liens Receivable	22,771	-
Tax Overpayments	113,173	-
Due From State of New Jersey - Senior		
Citizen & Veteran Deductions	67,718	-
Prepaid Taxes	142,028	-
Revenue Accounts Receivable	3,874,685	-
Miscellaneous Revenue Not		
Anticipated	955,497	-
Budget Refunds	498,784	-
Property Maintenance Receivable	1,527	-
Amount Due to State for Marriage		
Licenses/Funeral Licenses	1,705	-
Due From Animal Control Fund	5,325	-
Due From Trust Funds	97,373	-
Due From Grant Fund	330,857	-
Due From TTL Redemption Funds	1,331,900	-
Due From Mt. Holly MUA	65,655	-
State & Federal Grants Receivable	-	963,793
Federal and State Grants Unappropriated	-	624,050
	<u>27,953,529</u>	<u>1,587,843</u>
Total		
Subtotal	<u>30,996,560</u>	<u>1,720,107</u>
Decreased by Disbursements:		
2021 Appropriations	10,011,242	-
2020 Appropriation Reserve	327,418	-
Refund Tax Overpayments	106,514	-
County Taxes	2,644,020	-
Local District School Taxes	8,692,553	-
Regional High School District Taxes	2,774,863	-
Fire District Taxes	1,156,182	-
Due to Mt. Holly MUA	65,964	-
Due to Payroll Fund	100,000	-
Due to TTL Redemption Fund	1,837,600	-
Due to State of New Jersey	1,400	-
Due to Municipal Court	613	-
Reserve for Flood	35,312	-
Due to Current Fund	-	330,857
Funds - Appropriated	-	683,791
	<u>27,753,681</u>	<u>1,014,648</u>
Total Disbursements		
Balance December 31, 2021	<u>\$ 3,242,879</u>	<u>\$ 705,459</u>

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

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

Year Ended December 31, 2021

YEAR	BALANCE DECEMBER 31, 2020	2021 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2021
				2020	2021					
2016	\$ 1,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,969	\$ -	\$ -
2017	286	-	-	-	-	-	-	286	-	-
2018	3,421	-	-	-	1,029	-	-	2,392	-	-
2019	4,386	-	-	-	1,225	-	-	299	-	2,862
2020	3,999	-	7,782	-	659	-	253	9,744	-	1,125
Total	14,061	-	7,782	-	2,913	-	253	14,690	-	3,987
2021	-	20,854,539	-	161,882	20,441,618	73,750	39,895	80,516	49,947	6,931
Total	\$ 14,061	\$ 20,854,539	\$ 7,782	\$ 161,882	\$ 20,444,531	\$ 73,750	\$ 40,148	\$ 95,206	\$ 49,947	\$ 10,918

Cash Receipts \$ 20,444,531
Total \$ 20,444,531

ANALYSIS OF 2021 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax \$ 20,804,750
Added Taxes (54:4-63.1 et seq) 49,789
Total \$ 20,854,539

Tax Levy:

Local District School Tax (Abstract) \$ 8,744,427
Regional School District Tax 2,790,987
Fire District Tax (Abstract) 1,155,384
County Taxes:
County Tax (Abstract) \$ 2,301,386
County Open Space Tax (Abstract) 135,050
County Library Tax (Abstract) 204,481
Due County for Added & Omitted Taxes 6,384
2,647,301
Local Tax For Municipal Purposes 5,471,117
Add: Additional Tax Levy 45,323
5,516,440
Total Levy \$ 20,854,539

**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, 2021

Balance December 31, 2020	\$	268,557
Increased by:		
Interest and Costs		
Adjustment to Prior Year Balance		
Transfer From Taxes Receivable - 2021	\$	49,947
		<u>49,947</u>
Subtotal		318,504
Decreased by:		
Adjustment to Prior Year Balance	9,790	
Collections	<u>22,771</u>	
		<u>32,561</u>
Balance December 31, 2021	\$	<u>285,943</u>

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

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Year Ended December 31, 2021

Balance December 31, 2021 and 2020	\$	<u>490,055</u>
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**CURRENT FUND
SCHEDULE OF PROPERTY MAINTENANCE RECEIVABLE**

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Year Ended December 31, 2021

Balance December 31, 2020	\$	816
Increased by:		
Billings		<u>5,847</u>
Subtotal		6,663
Decreased by:		
Collections		<u>1,527</u>
Balance December 31, 2021	\$	<u>5,136</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, 2021

	BALANCE DECEMBER 31, 2020	ACCRUED IN 2021	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2021
Municipal Clerk:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 22,876	\$ 22,876	\$ -
Other Licenses	-	5,325	5,325	-
Fees & Permits	-	211,039	211,039	-
Service Contract - Mt. Holly MUA	-	30,000	30,000	-
Cable TV Franchise Fee	-	107,063	107,063	-
Payment In-Lieu of Taxes:				
Mt. Holly MUA	-	308,000	308,000	-
Children's Home	-	30,000	30,000	-
Stouber	-	118,728	118,728	-
Regency Park	-	161,174	161,174	-
Fermoor	-	305,172	305,172	-
Presbyterian Home	-	15,300	15,300	-
Mt Holly Memorial Health Alliance Donation	-	346,616	346,616	-
State Rental of Parking Lots	-	1,347	1,347	-
County Rental of Parking Lots	-	98,203	98,203	-
Municipal Court - Fines & Costs	5,355	93,750	93,438	5,667
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	-	1,434,180	1,434,180	-
Consolidated Municipal Property Tax Relief	-	84,351	84,351	-
Housing Inspection Fees	-	109,980	109,980	-
Interest and Costs on Taxes	-	67,947	67,947	-
Interest on Investments	-	75,310	75,310	-
Total	\$ 5,355	\$ 3,874,997	\$ 3,874,685	\$ 5,667

**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, 2021

OPERATIONS	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVER- EXPENDED
General Government:					
Administrative & Executive:					
Other Expenses	\$ 29,378	\$ 29,378	\$ 28,048	\$ 1,330	\$ -
Mayor and Council:					
Other Expenses	5,000	5,000	398	4,602	-
Municipal Clerk:					
Salaries and Wages	2,140	2,140		2,140	-
Other Expenses	4,651	4,651	2,181	2,470	-
Financial Administration:					
Salaries and Wages	15,018	15,018	-	15,018	-
Other Expenses	3,449	3,449	2,442	1,007	-
Assessment of Taxes:					
Other Expenses	457	457	-	457	-
Collection of Taxes:					
Salaries and Wages	26,173	26,173	-	26,173	-
Other Expenses	8,123	8,123	7,627	496	-
Legal Services & Costs:					
Other Expenses	78,447	78,447	30,318	48,129	-
Engineering Services & Costs:					
Other Expenses	160,447	160,447	99,351	61,096	-
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	2,692	2,692	-	2,692	-
Other Expenses	423	423	56	367	-
Code Enforcement and Administration:					
Inspection of Housing:					
Salaries and Wages	18,290	18,290	-	18,290	-
Other Expenses	202	202	-	202	-
Insurance:					
Medical Waiver	6,000	6,000	-	6,000	-
General Liability Insurance	1,642	1,642	-	1,642	-
Employee Group Insurance	204,514	204,514	3,816	200,698	-
Public Safety:					
Police:					
Salaries and Wages	193,489	193,489	-	193,489	-
Other Expenses	11,463	11,463	11,458	5	-
Public Works Functions:					
Streets & Road Maintenance:					
Salaries and Wages	2,508	2,508	-	2,508	-
Other Expenses	25,516	25,516	25,026	490	-
Public Buildings & Grounds:					
Salaries and Wages	1,960	1,960	-	1,960	-
Other Expenses	5,037	5,037	4,320	717	-
Vehicle Maintenance:					
Other Expenses	13,790	13,790	6,536	7,254	-

**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, 2021

OPERATIONS	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	DISBURSED	BALANCE LAPSED	OVER- EXPENDED
Health & Welfare:					
Community Drug Alliance Program:					
Other Expenses	2,200	2,200	-	2,200	-
Parks & Recreation:					
Recreation Services & Programs:					
Salaries and Wages	15,755	15,755	-	15,755	-
Utility Expenses & Bulk Purchases:					
Electricity	7,020	7,020	-	7,020	-
Street Lighting	555	555	-	555	-
Telephone	42	42	-	42	-
Water	316	316	-	316	-
Gasoline	4,393	4,393	3,789	604	-
Municipal Court:					
Municipal Court:					
Salaries and Wages	3,469	3,469	-	3,469	-
Other Expenses	827	827	257	570	-
Municipal Prosecutor:					
Salaries and Wages	4,125	4,125	1,833	2,292	-
Public Defender - Contractual	3,525	3,525	-	3,525	-
Landfill & Solid Waste Disposal Costs:					
Garbage & Trash Removal:					
Other Expenses	55,099	55,099	49,475	5,624	-
Sanitary Landfill:					
Contractual	29,943	29,943	29,797	146	-
Statutory Expenditures:					
Police & Fire Pension Fund	48,794	48,794	-	48,794	-
Social Security System	2,262	2,262	-	2,262	-
DCRP	740	740	59	681	-
Unemployment Fund	1,267	1,267	1,107	160	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>1,004,141</u>	<u>1,004,141</u>	<u>307,894</u>	<u>696,247</u>	<u>-</u>
Mandated Expenditures Excluded From "CAPS":					
Capital Improvements Excluded from "CAPS"					
Repairs to Municipal Building	32,764	32,764	19,815	12,949	-
Electrical Stations	38,000	38,000	35,446	2,554	-
Subtotal General Appropriation Items	<u>70,764</u>	<u>70,764</u>	<u>55,261</u>	<u>15,503</u>	<u>-</u>
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17 & 17.3)	655	655	-	655	-
Total General Appropriations	<u>\$ 1,075,560</u>	<u>\$ 1,075,560</u>	<u>\$ 363,155</u>	<u>\$ 712,405</u>	<u>\$ -</u>
Appropriation Reserves	\$ 885,393		\$ -		
Encumbrances Payable	190,167		35,737		
Cash Disbursements	-		327,418		
Total	<u>\$ 1,075,560</u>		<u>\$ 363,155</u>		

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

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

Year Ended December 31, 2021

Balance December 31, 2020	\$	1
Increased by: Levy Calendar Year 2021		<u>8,744,427</u>
Subtotal		8,744,428
Decreased by: Payments		<u>8,744,427</u>
Balance December 31, 2021	\$	<u><u>1</u></u>

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

Year Ended December 31, 2021

Balance December 31, 2020	\$	5
Increased by: Levy Calendar Year 2021		<u>2,790,987</u>
Subtotal		2,790,992
Decreased by: Payments		<u>2,790,987</u>
Balance December 31, 2021	\$	<u><u>5</u></u>

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

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

Year Ended December 31, 2021

PROGRAM	BALANCE DECEMBER 31, 2020	2020 REVENUE	RECEIPTS	CANCELLED	BALANCE DECEMBER 31, 2021
Federal Grants:					
Transportation Enhancement Fund - Pedestrian Safety	\$ 71,748	\$ -	\$ -	\$ -	\$ 71,748
Small Cities CDBG - Rehabilitation	49,147	107,000	45,490	-	110,657
TAP Grant	483,000	-	319,984	-	163,016
USDA AMS Farmers Market Promotion	32,655	-	-	-	32,655
Total Federal Grants	636,550	107,000	365,474	-	378,076
State Grants:					
Sustainable New Jersey Small Grant Program	6,000	-	-	-	6,000
Sustainable New Jersey Grant - Roots to River Alcohol Education & Rehabilitation	5,895	-	-	-	5,895
NJ DOT - Park Drive	1,656	-	-	-	1,656
NJ DOT - Phase II High Street	33,868	-	-	-	33,868
NJ DOT - Smith Lane Improvements	206,076	-	165,827	-	40,249
NJ DOT - Commerce Street Bridge	107,049	-	-	-	107,049
NJ DOT - Holly Lane Improvements	263,115	-	197,336	-	65,779
NJ DOT - Levis Drive	90,442	-	-	-	90,442
Safe Routes to School Grant	-	276,508	-	-	276,508
EDA - Ankokas Lagoon/Mills	125,000	-	-	-	125,000
EDA - Holly Chemical Co., Inc.	92,486	-	-	-	92,486
EDA - Regal Custom Fixtures	11,650	-	-	-	11,650
Click-It-Ticket	3,737	-	-	-	3,737
Community Forestry	4,916	-	-	-	4,916
Urban Tree Reforestation Project	1,729	-	-	-	1,729
Distracted Driver	36,572	-	28,350	-	8,222
Recycling Tonnage Grant	550	-	-	-	550
Electrical Charging Stations	10,310	-	-	-	10,310
Clean Communities Grant	16,000	-	-	-	16,000
ROID Grant	-	19,577	19,577	-	-
Body Armor Grant	20,000	-	-	-	20,000
Safe and Secure Communities Grant	-	2,035	2,035	-	-
Body-Worn Camera Grant	-	32,400	32,400	-	-
Drunk Driving Enforcement	-	67,254	-	-	67,254
Neighborhood Preservation Program	-	2,794	2,794	-	-
Insurance Fund Safety Grant	100,000	-	100,000	-	-
Urban Enterprise Zone	4,222	4,201	-	-	8,423
Total State Grants	1,141,273	454,769	598,319	-	997,723
County Grants:					
County Parks Grant	540,000	-	-	-	540,000
Total County Grants	540,000	-	-	-	540,000
Total	\$ 2,317,823	\$ 561,769	\$ 963,793	\$ -	\$ 1,915,799
Cash			\$ 963,793		
Unappropriated Grants Realized			-		
			\$ 963,793		

**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, 2021

PROGRAM	BALANCE DECEMBER 31, 2020	TRANSFERRED FROM 2021 BUDGET APPROPRIATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	REFUNDS	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2021
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	43,011	-	9,000	-	45,490	-	6,521
TAP Grant	94,462	-	-	-	79,074	-	15,388
USDA AMS Farmers Market Promotion	30,550	-	-	-	15,444	-	15,106
Total Federal Grants	320,681	107,000	9,000	-	140,008	-	296,673
State Grants:							
NJ DOT - Phase II High Street	21,824	-	-	-	21,824	-	-
NJ DOT - Commerce Street Bridge	213,239	-	-	-	213,239	-	-
NJ DOT - Holly Lane Improvements	251,226	-	-	-	62,975	-	188,251
NJ DOT - Smith Lane Improvements	275,434	-	-	-	59,990	-	215,444
NJ DOT - Levis Drive	-	276,508	-	-	-	-	276,508
Drunk Driving Enforcement Grant	9,413	2,794	419	-	760	-	11,866
Alcohol Education & Rehabilitation Fund	16,499	-	-	-	-	-	16,499
Recycling Tonnage Grant	66,403	-	-	-	6,421	-	59,982
NJ Urban Enterprise Zone	137,307	50,000	228	-	53,028	-	134,507
Click-It-Ticket	4,916	-	-	-	-	-	4,916
Distracted Driver	6,600	-	-	-	-	-	6,600
Clean Communities Grant	92,692	19,577	-	-	-	-	112,269
ROID Grant	15,903	-	-	-	-	-	15,903
Insurance Fund Safety Grant	12,540	4,201	-	-	453	-	16,288
NJ Economic Development Authority	54,241	-	17,755	-	17,755	-	54,241
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	1,899	2,035	1,134	-	1,512	-	3,556
Neighborhood Prevention Program	110,000	-	4,666	-	114,636	-	30
Total State Grants	1,443,903	454,769	24,202	-	568,593	-	1,354,281
County Grants:							
County Parks Grant	256,048	-	13,896	-	207,451	-	62,493
Total County Grants	256,048	-	13,896	-	207,451	-	62,493
Local Grants:							
Mt Holly Youth Soccer Program	1,000	-	-	-	-	-	1,000
NJ American Water	290	-	-	-	-	-	290
Total Local Grants	1,290	-	-	-	-	-	1,290
Total	\$ 2,021,922	\$ 561,769	\$ 47,098	\$ -	\$ 916,052	\$ -	\$ 1,714,737
					Cash Disbursed	\$ 683,791	
					Encumbrances	232,261	
					Total	\$ 916,052	

**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, 2021

PROGRAM	BALANCE DECEMBER 31, 2020	GRANTS RECEIVED	REVENUE IN 2021 BUDGET	BALANCE DECEMBER 31, 2021
Federal & State Grants:				
Recycling Tonnage Grant	\$ -	\$ 11,915	\$ -	\$ 11,915
American Recovery Plan	-	499,635	-	499,635
Neighborhood Preservation Program	-	112,500	-	112,500
	<u>-</u>	<u>624,050</u>	<u>-</u>	<u>624,050</u>
Total Federal & State Grants	<u>\$ -</u>	<u>\$ 624,050</u>	<u>\$ -</u>	<u>\$ 624,050</u>

**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, 2021

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2020	\$ 16,313	\$ 1,121,156
Receipts:		
State Share of Dog License Fees	\$ 482	\$ -
Dog License Fees	4,167	-
Late Fees	330	-
Current Fund Budget	12,000	-
RCA Trust Fund Deposits	-	106,481
P.O.A.A. Fines	-	176
Public Defenders Fees	-	2,098
Recreation Commission Funds	-	16,639
Builder's Escrow	-	132,040
Tax Sale Premiums	-	1,331,900
Uniform Construction Code Fees	-	513,166
Outside Police Services	-	114,980
Snow Removal	-	66,478
Law Enforcement Funds	-	9,991
Deposits for Tax Sale Redemptions	-	593,747
Due from State of New Jersey	-	18,224
Recycling Program	-	703
Compensated Absences	-	10,000
Due Current Fund	<u>253</u>	<u>523,775</u>
Total Receipts	<u>17,232</u>	<u>3,440,399</u>
Total Receipts & Balances	<u>33,545</u>	<u>4,561,555</u>
Disbursements:		
Paid to State of New Jersey	943	17,411
Expenditures Under N.J.S.A. 40:19-15.11	14,903	-
Tax Sale Premiums Received	-	478,800
Public Defenders Fees	-	10,175
Recreation Commission Funds	-	20,744
Builder's Escrow	-	107,457
Uniform Construction Code Fees	-	256,276
Outside Police Officers	-	123,132
Law Enforcement Fund	-	8,512
Tax Sale Redemptions	-	604,744
Snow Removal	-	60,549
RCA Trust Fund Deposits	-	39
Due to Current Fund	<u>5,577</u>	<u>8,676</u>
Total Disbursements	<u>21,423</u>	<u>1,702,031</u>
Balance December 31, 2021	<u>\$ 12,122</u>	<u>\$ 2,859,524</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, 2021

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance Per Certification of:		
Investors Bank:		
Dog License	\$ 15,954	\$ -
Tax Sale Premiums	-	1,514,354
Recreation Commission Funds	-	30,232
Law Enforcement	-	14,675
Builder's Escrow	-	234,980
Recycling Program	-	9,038
Uniform Construction Code	-	343,927
Outside Police Services	-	294,568
Snow Removal	-	40,653
Public Defender	-	24,410
P.O.A.A. - Parking Fines	-	10,636
Tax Sale Redemptions	-	69,195
RCA Trust	-	175,183
Environmental Committee	-	1,012
State & Federal Grants	-	32,036
Compensated Absences	-	65,909
Shade Tree	-	41
Add: Deposit in Transit	-	40,752
Less: Outstanding Checks Per Permanent Record	<u>(3,832)</u>	<u>(42,077)</u>
Balance December 31, 2021	<u>\$ 12,122</u>	<u>\$ 2,859,524</u>

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

B-2

Year Ended December 31, 2021

Balance December 31, 2020		\$ 9,963
Increased by:		
Dog License Fees - Collected	\$ 4,167	
Late Fees	330	
Current Fund Budget	<u>12,000</u>	
		<u>16,497</u>
Subtotal		26,460
Decreased by:		
Expenditures Under N.J.S.A. 4:19-15.11:	14,903	
Due to Current Fund for Excess Dog Fees	<u>2,463</u>	
		<u>17,366</u>
Balance December 31, 2021		<u>\$ 9,094</u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$ 4,126
2019	<u>4,968</u>
Total	<u>\$ 9,094</u>

Note: R.S. 4:19-15.11

... there shall be transferred from such special account to the general funds of the municipality any amount then in such account which is in excess of the total amount paid into said special account during the last two fiscal years next preceding.

**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, 2021

Balance December 31, 2020	\$ 82,024
Increased by:	
Cash Receipts	<u>593,747</u>
Subtotal	675,771
Decreased by:	
Cash Disbursements	<u>604,744</u>
Balance December 31, 2021	<u><u>\$ 71,027</u></u>

B-4

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

Year Ended December 31, 2021

Balance December 31, 2020	\$ 653,000
Increased by:	
Premiums Received at Tax Sale - Due from Current	<u>1,331,900</u>
Subtotal	1,984,900
Decreased by:	
Premiums Refunded at Redemption	<u>478,800</u>
Balance December 31, 2021	<u><u>\$ 1,506,100</u></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, 2021

Balance December 31, 2020	\$ 107,325
Increased by:	
Construction Code Fees Received	<u>513,166</u>
Subtotal	620,491
Decreased by:	
Disbursement of Construction Code Funds	<u>256,276</u>
Balance December 31, 2021	<u><u>\$ 364,215</u></u>

B-6

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

Year Ended December 31, 2021

Balance December 31, 2020	\$ 773
Increased by:	
Dog License Fees Collected:	
State Share	<u>482</u>
Subtotal	1,255
Decreased by:	
Payments	<u>943</u>
Balance December 31, 2021	<u><u>\$ 312</u></u>

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

B-7

**TRUST FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND**

Year Ended December 31, 2021

Balance December 31, 2020		\$	(493,998)
Increased by:			
TTL Premiums - Due Current Fund	\$	505,700	
Interest Earned - Due Current Fund		<u>18,075</u>	
			<u>523,775</u>
Subtotal			29,777
Decreased by:			
Disbursements to Current Fund		<u>8,676</u>	
			<u>8,676</u>
Balance December 31, 2021		\$	<u><u>21,101</u></u>

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

B-8

**TRUST FUNDS
SCHEDULE OF MISCELLANEOUS TRUST RESERVES**

Year Ended December 31, 2021

	BALANCE DECEMBER 31, 2020	INCREASED BY			DECREASED BY		BALANCE DECEMBER 31, 2021
		RECEIPTS	INTEREST EARNINGS	OTHER	DISBURSEMENTS	OTHER	
Recreation Commission Funds	\$ 33,625	\$ 16,639	\$ -	\$ -	\$ 20,744	\$ -	\$ 29,520
Law Enforcement Funds	13,197	9,768	223	-	8,512	-	14,676
Builder's Escrow	172,510	132,040	-	-	107,457	-	197,093
Recycling Program	9,209	703	-	-	1,015	-	8,897
Outside Police Services	298,083	114,980	-	-	123,132	-	289,931
Snow Removal	33,859	66,478	-	-	60,549	-	39,788
Public Defender	15,690	2,098	-	-	10,175	-	7,613
P.O.A.A. - Parking Fines	14,778	176	-	-	4,501	-	10,453
RCA Trust	68,740	105,196	1,285	-	39	-	175,182
Compensated Absences	55,065	10,000	-	-	-	-	65,065
Environmental Committee	996	-	-	-	-	-	996
Shade Tree	40	1	-	-	-	-	41
Federal & State Grants	31,556	-	-	-	-	-	31,556
Total	\$ 747,348	\$ 458,079	\$ 1,508	\$ -	\$ 336,124	\$ -	\$ 870,811

**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, 2021

Balance December 31, 2020		\$ 228,153
Increased By:		
Interest on Investments	\$ 2,770	
Premiums	4,839	
Refunds	9,879	
Due Current Fund	97,600	
Contra	141,300	
Bond Anticipation Note Proceeds	1,236,300	
Bond Proceeds	2,355,000	
		<u>3,847,688</u>
Subtotal		4,075,841
Decreased By:		
Contra	141,300	
Due Current Fund	1,844	
Bond Anticipation Note Principal and Interest	3,688,895	
Improvement Authorizations	158,796	
		<u>3,990,835</u>
Balance December 31, 2021		<u>\$ 85,006</u>

C-3

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

Year Ended December 31, 2021

Fund Balance	\$ 161,400
Capital Improvement Fund	124
Due to/(from) Current Fund	2,775
Improvement Authorizations:	
Ordinance Numbers & Descriptions	
99-22 Acquisition of Various Equipment & Completion of Various Capital Improvements	1,463
09-11 Restoration of Upper Buttonwood & Woolman Lakes	(176,793)
10-17 The Gardens Redevelopment Project	3
16-14 Renovation & Rehabilitation of Mill Dam Park	(49,429)
16-15 Replacement of Buttonwood Lake Dam	91,384
17-15 Various Capital Improvements	80,727
17-16 Refunding Bond Ordinance GOB Series	(68,178)
20-13 Acquisition of Various Properties	11,530
21-16 Acquisition of Various Properties	30,000
Total Cash & Investments	<u>\$ 85,006</u>

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

C-4

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

Year Ended December 31, 2021

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	PAYMENT OF BOND ANTICIPATION NOTES	DECREASED BY SERIAL BONDS	BALANCE DECEMBER 31, 2021	ANALYSIS OF BALANCE DECEMBER 31, 2021		
							FINANCED BY BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
09-11	Restoration of Upper Buttonwood & Woolman Lakes	\$ 177,000	\$ -	\$ -	\$ -	\$ 177,000	\$ -	\$ 176,793	\$ 207
10-17	Acquisition of Various Properties	2,187,000	-	32,000	2,155,000	-	-	-	-
16-14	Renovation & Rehabilitation of Mill Dam Park	2,200,000	-	-	-	2,200,000	-	49,429	2,150,571
16-15	Replacement of Buttonwood Lake Dam	760,000	-	-	-	760,000	760,000	-	-
17-15	Various Capital Improvements	499,400	-	23,100	-	476,300	476,300	-	-
17-16	Refunding Bond Ordinance GOB Series 2010	75,000	-	-	-	75,000	-	68,178	6,822
20-13	Acquisition of Various Redevelopment Properties	200,000	-	-	200,000	-	-	-	11,530
21-16	Construction & Improvements to Real Property	-	570,000	-	-	570,000	-	-	570,000
	Total	\$ 6,098,400	\$ 570,000	\$ 55,100	\$ 2,355,000	\$ 4,258,300	\$ 1,236,300	\$ 294,400	\$ 2,739,130
									Improvement Authorizations - Unfunded
									Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
									Ordinance No. 10-17
								\$ 3	Ordinance No. 16-14
								91,384	Ordinance No. 16-15
								80,727	
									<u>172,114</u>
									<u>\$ 2,739,130</u>

**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, 2021

Balance December 31, 2020	\$	30,124
Decreased by:		
Down Payment on Bond Ordinances		<u>30,000</u>
Balance December 31, 2021	\$	<u><u>124</u></u>

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

C-6

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Year Ended December 31, 2021

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2020		2021 AUTHORIZATIONS	ENCUMBRANCES RECLASSIFIED	PAID OR CHARGED	REFUNDS	BALANCE DECEMBER 31, 2021	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
99-22	Acquisition of Various Equipment Completion of Various Capital Improvements	7/23/91	\$ 1,447,000	\$ 1,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463	\$ -
09-11	Restoration of Upper Buttonwood & Woolman Lakes	6/8/09	177,000	-	790	-	-	583	-	-	207
10-17	Acquisition of Various Properties	12/13/10	2,500,000	-	3	-	-	-	-	-	3
16-14	Renovation & Rehabilitation of Mill Dam Park	5/9/16	2,200,000	-	2,150,753	-	-	182	-	-	2,150,571
16-15	Replacement of Buttonwood Lake Dam	5/9/16	800,000	-	113,637	-	-	22,253	-	-	91,384
17-15	Various Capital Improvements	7/10/17	550,000	-	80,727	-	-	-	-	-	80,727
17-16	Refunding Bond Ordinance GOB Series 2010	7/10/17	695,000	-	22,322	-	-	15,500	-	-	6,822
20-13	Acquisition of Various Properties	9/14/20	200,000	-	121,929	-	-	120,278	9,879	-	11,530
21-16	Construction & Improvements to Real Property	12/13/21	600,000	-	-	600,000	-	-	-	30,000	570,000
Total				\$ 1,463	\$ 2,490,161	\$ 600,000	\$ -	\$ 158,796	\$ 9,879	\$ 31,463	\$ 2,911,244
Cash Disbursement								\$ 158,796			
Total								\$ 158,796			

**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, 2021

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	BALANCE DECEMBER 31, 2020	INCREASE	DECREASE	BALANCE DECEMBER 31, 2021
2010-17	Acquisition of Various Properties	3/24/11	11/04/20	11/03/21	\$ 2,187,000	\$ -	\$ 2,187,000	\$ -
2017-15	Various Capital Improvements	10/12/17	10/01/21 10/06/20	09/30/22 10/05/21	- 499,400	476,300 -	- 499,400	476,300 -
2016-15	Replacement of Buttonwood Lake Dam	06/27/19	10/01/21 10/06/20	09/30/22 10/05/21	- 760,000	760,000 -	- 760,000	760,000 -
2020-13	Acquisition of Various Redevelopment Properties	11/04/20	11/04/20	11/03/21	200,000	-	200,000	-
Total					<u>\$ 3,646,400</u>	<u>\$ 1,236,300</u>	<u>\$ 3,646,400</u>	<u>\$ 1,236,300</u>
						Paid by Budget Appropriation	\$ -	\$ 55,100
						Bonds Sold	-	2,355,000
						Renewals	<u>1,236,300</u>	<u>1,236,300</u>
						Total	<u>\$ 1,236,300</u>	<u>\$ 3,646,400</u>

**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, 2021

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2020	ISSUED	PAID	BALANCE DECEMBER 31, 2021
			DATE	AMOUNT					
General Taxable Bonds Series 2013	10/31/13	\$ 1,375,000	11/15/22	\$ 35,000	4.000%	\$ 100,000	\$ -	\$ 35,000	\$ 65,000
			11/15/23	30,000	5.000%				
Taxable Redevelopment General Obligation Bonds Series 2018	11/07/18	3,913,000	11/01/22	110,000	4.500%	3,710,000	-	105,000	3,605,000
			11/01/23	115,000	4.500%				
			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**

C-8

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

Year Ended December 31, 2021

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2020	ISSUED	PAID	BALANCE DECEMBER 31, 2021
			DATE	AMOUNT					
Taxable General Obligation Refunding Bonds Series 2020	7/22/20	4,090,000	11/15/22	60,000	1.300%	4,055,000	-	55,000	4,000,000
			11/15/23	60,000	1.300%				
			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%				

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

C-8

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

Year Ended December 31, 2021

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	ISSUED	PAID	BALANCE
			DATE	AMOUNT		DECEMBER 31, 2020			DECEMBER 31, 2021
Taxable General Obligation Bonds Series 2021	10/29/21	4,090,000	12/31/22	90,000	3.000%	-	2,355,000	-	2,355,000
			12/31/23	90,000	3.000%				
			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						\$ 12,870,000	\$2,355,000	\$ 710,000	\$ 14,515,000

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

C-9

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOAN**

Year Ended December 31, 2021

PURPOSE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	ISSUED	PAID	BALANCE
		DATE	AMOUNT		DECEMBER 31, 2020			DECEMBER 31 2021
Improvement to Mill Dam Park	\$ 248,195				\$ 12,411	\$ -	\$ 12,411	\$ -
				Totals	<u>\$ 12,411</u>	<u>\$ -</u>	<u>\$ 12,411</u>	<u>\$ -</u>

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

C-10

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

Year Ended December 31, 2021

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	BALANCE DECEMBER 31, 2021
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
	Total	<u>\$ 2,452,000</u>	<u>\$ 570,000</u>	<u>\$ 3,022,000</u>

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

D-1

**PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH**

Year Ended December 31, 2021

Balance December 31, 2020		\$	8,150
Increased by:			
Net Payroll & Payroll Deductions			<u>5,438,612</u>
Subtotal			5,446,762
Decreased by:			
Net Payroll & Payroll Deductions	\$	5,435,698	
Due Current Fund		<u>1,606</u>	
			<u>5,437,304</u>
Balance December 31, 2021		\$	<u>9,458</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, 2021

	BALANCE DECEMBER 31, 2020	ADDITIONS	DELETIONS	RECLASSIFIED	BALANCE DECEMBER 31, 2021
<u>ASSETS</u>					
General Fixed Assets:					
Land	\$ 1,835,735	\$ 176,000	\$ -	\$ 5,065,094	\$ 7,076,829
Buildings & Contents	9,052,860	457,000	(39,000)	(2,105,975)	7,364,885
Vehicles and Equipment	6,380,948	-	(521,277)	(2,959,119)	2,900,552
Total	<u>\$ 17,269,543</u>	<u>\$ 633,000</u>	<u>\$ (560,277)</u>	<u>\$ -</u>	<u>\$ 17,342,266</u>
<u>RESERVES</u>					
Total Investment in General Fixed Assets	<u>\$ 17,269,543</u>	<u>\$ 633,000</u>	<u>\$ (560,277)</u>	<u>\$ -</u>	<u>\$ 17,342,266</u>

**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, 2021, 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 August 31, 2022, 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

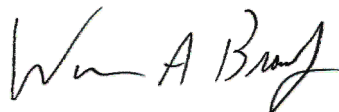
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and recommendations current year as item 2021-01.

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of current year findings and recommendations. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2022

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 2021		YEAR 2020	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$ 550,000	1.98%	\$ 550,000	2.15%
Miscellaneous - From Other Than Local Property Tax Levies	6,465,371	23.29%	5,321,536	20.80%
Collection of Delinquent Taxes & Tax Title Liens	25,937	0.09%	12,777	0.05%
Collection of Current Tax Levy	20,717,145	74.63%	19,696,831	77.00%
Total Income	27,758,453	100.00%	25,581,144	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	10,592,146	40.84%	10,779,282	42.70%
County Taxes	2,647,301	10.21%	2,590,491	10.26%
Local & Regional School Taxes	11,535,414	44.47%	11,251,118	44.57%
Fire District Taxes	1,155,384	4.45%	617,845	2.45%
Other Expenditures	7,782	0.03%	3,416	0.01%
Total Expenditures	25,938,027	100.00%	25,242,152	100.00%
Excess in Revenue to Fund Balance	1,820,426		338,992	
Fund Balance January 1	1,250,712		1,461,720	
Less: Utilization as Anticipated Revenue	550,000		550,000	
Fund Balance December 31	\$ 2,521,138		\$ 1,250,712	

**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
2021	\$ 20,854,539	\$ 20,717,145	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%
2017	18,466,949	18,334,882	99.28%

Comparison of Tax Rate Information

	2021	2020	2019
Total Tax Rate	<u>\$3.185</u>	<u>\$3.061</u>	<u>\$2.992</u>
Apportionment of Tax Rate:			
Municipal	0.837	0.822	0.822
County	0.406	0.402	0.389
Local School	1.338	1.328	1.315
Regional High School	0.427	0.413	0.369
Fire District	0.177	0.096	0.097

Net Valuation Taxable:

2021	<u>\$ 653,210,286</u>		
2020		<u>\$ 645,899,878</u>	
2019			<u>\$ 643,182,624</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
2021	\$ 285,943	\$ 10,918	\$ 296,861	1.42%
2020	268,557	14,061	282,618	1.43%
2019	209,437	10,060	219,497	1.14%

**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>
2021	\$ 490,055
2020	490,805
2019	490,805
2018	490,805
2017	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>
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%
2017	1,766,405	760,000	43.03%

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

NAME	TITLE	NAME OF CORPORATE SURETY
Jason Jones	Mayor	
Christopher Banks	Deputy Mayor	
Katherine McCandless (Retired July 7, 2021)	Committeewoman	
Nick Sodano (Effective August 9, 2021 through November 8, 2021)	Committeeman	
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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	0.01966%	0.02053%	0.02173%	0.02009%	0.01928%	0.01888%	0.01227%	0.01210%	0.01459%
Township's proportionate share of net pension liability	\$ 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	1,477,782	1,489,369	1,496,000	1,395,971	1,299,455	1,242,907	884,429	821,892	821,892
Township's proportionate share of net pension liability as a % of payroll	159.11%	224.83%	261.78%	283.42%	345.42%	449.96%	311.51%	275.66%	339.39%
Total pension liability	\$ 7,935,675	\$ 8,097,216	\$ 9,017,849	\$ 8,526,270	\$ 8,648,572	\$ 9,342,203	\$ 5,290,995	\$ 4,728,043	\$ 5,439,874
Plan fiduciary net position	5,606,364	4,748,622	5,101,671	4,569,829	4,159,959	3,749,662	2,535,871	2,462,403	2,650,489
Plan fiduciary net position as a % of total pension liability	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

PFRS - Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Township's proportion of the net pension liability	Unavailable	0.05521%	0.05675%	0.06003%	0.05590%	0.05106%	0.05577%	0.05469%	0.05179%
Township's proportionate share of net pension liability	Unavailable	\$ 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 Township's net pension liability	Unavailable	1,107,094	1,096,698	1,103,294	966,603	819,075	814,629	740,871	641,792
Township's covered-employee payroll	1,959,356	1,885,092	1,882,095	1,873,646	1,692,770	1,603,016	1,771,103	1,668,689	1,668,689
Township's proportionate share of net pension liability as a % of payroll	Unavailable	378.42%	369.03%	433.51%	509.80%	608.46%	524.49%	412.31%	412.62%
Total pension liability	Unavailable	\$ 22,590,931	\$ 22,975,118	\$ 24,586,364	\$ 23,182,006	\$ 22,030,633	\$ 23,124,328	\$ 20,273,287	\$ 18,223,225
Plan fiduciary net position	Unavailable	14,350,290	14,932,886	15,360,667	13,585,669	11,457,791	13,020,523	12,652,315	10,696,153
Plan fiduciary net position as a % of total pension liability	Unavailable	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%

Notes to the Required Supplementary Information

- There were no benefit changes.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2013, of 5.55% and 6.45% to 5.39% and 6.32%, respectively, as of the measurement date of June 30, 2014.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2014, of 5.39% and 6.32% to 4.90% and 5.79%, respectively, as of the measurement date of June 30, 2015.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2015, of 4.90% and 5.79% to 3.98% and 5.55%, respectively, as of the measurement date of June 30, 2016.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2016, of 3.98% and 5.55% to 5.00% and 6.14%, respectively, as of the measurement date of June 30, 2017.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2017, of 5.00% and 6.14% to 5.66% and 6.51%, respectively, as of the measurement date of June 30, 2018.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2018, of 5.66% and 6.51% to 6.28% and 6.85%, respectively, as of the measurement date of June 30, 2019.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2019, of 6.28% and 6.85% to 7.00% and 7.00%, respectively, as of the measurement date of June 30, 2020.
- The PERS discount rates did not change from the measurement date of June 30, 2020, to the measurement date of June 30, 2021. PFRS information was not available.

The pension schedules are intended to show information for ten years. The State of New Jersey has issued nine years of PERS and eight years of PFRS pension information to the Township. Additional years' information will be displayed as it becomes available.

**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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Contractually required contribution	\$ 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	230,270	224,634	211,410	199,872	178,630	167,752	105,518	99,759	109,970	
Agency's covered employee payroll	1,477,782	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	15.58%	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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Contractually required contribution	Unavailable	\$ 616,763	\$ 573,285	\$ 586,835	\$ 494,717	\$ 416,313	\$ 453,319	\$ 420,094	\$ 377,863	
Contributions in relation to the contractually required contribution	Unavailable	616,763	573,285	586,835	494,717	416,313	453,319	420,094	377,863	
Agency's covered employee payroll	1,959,356	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	Unavailable	31.48%	30.41%	31.18%	26.40%	24.59%	28.28%	23.72%	22.64%	

The pension schedules are intended to show information for ten years. The State of New Jersey has issued nine years of PERS and eight years of PFRS pension information to the Township. Additional years' information will be displayed as it becomes available.

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

SCHEDULE OF TOWNSHIP'S PROPORTIONATE SHARE OF NET OPEB LIABILITY

	Last 10 Fiscal Years				
	2021	2020	2019	2018	2017
Employer proportionate share	Unavailable	0.201696%	0.164363%	0.165400%	0.158074%
State proportionate share of the net OPEB liability attributable to employer	Unavailable	\$ 11,017,247	\$ 9,082,237	\$ 10,277,699	\$ 13,745,187
Employer OPEB expense and related revenue	Unavailable	\$ (548,441)	\$ 120,387	\$ 311,118	\$ 983,689

The OPEB schedule is intended to show information for ten years. The State of New Jersey has issued four years of OPEB information to the Township. Additional years' information will be displayed as it becomes available.

This information was not available for 2021 due to the fact that the GASB Statement No. 74 and 75 reports of the state plan for the period ended June 30, 2021 and used for the Township December 31, 2021 financials were not completed timely and made available to the Township. The entirety of the Township OPEB plan is funded through special funding provided by the state. See footnote T for additional information about the plan.

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, 2021. 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 4, 2021, 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, 2021, included 2020, 2019, 2018, 2017 and 2016 real estate taxes only.

The last tax sale was held on December 14, 2021, 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.

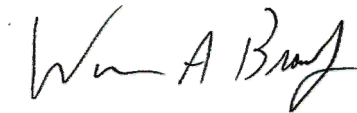
Acknowledgment

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.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

August 31, 2022

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

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Finding 2021-01:

Criteria:

The Township should only pay for the health benefit premium costs of active employees.

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.

Cause:

Unknown

Effect:

An overpayment of \$6,995 for health benefit premium costs occurred.

Recommendation:

The Township must implement procedures to ensure the correct amount is being paid for health benefit premiums.

View of Responsible Officials and Planned Corrective Action:

The responsible officials concur with the finding and will address the matter as part of their corrective action plan.

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

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None Reported.