

**HOLLAND TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

**Responsibility of the Management of
Holland Township School District
Hunterdon County, New Jersey**



**HOLLAND TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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SCHOOL DISTRICT**

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HOLLAND TOWNSHIP SCHOOL DISTRICT

Mrs. Stephanie Snyder, Superintendent & Supervisor of Special Services
Mrs. Teresa O'Brien, Business Administrator

908-995-2401
www.hollandschool.org

December 5, 2023

Honorable President and
Members of the Board of Education
Holland Township School District
70 Milford Warren Glen Rd.
Milford, New Jersey 08848

Dear Board Members:

The Annual Comprehensive Financial Report of the Holland Township School District for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introduction, financial, statistical and single audit. The introduction section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Holland Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Holland Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through eight as well as special education. The District completed the 2022-2023 fiscal year with an average daily enrollment of 516.8 students, which is a 1.04% increase over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

HOLLAND TOWNSHIP SCHOOL DISTRICT

Mrs. Stephanie Snyder, Superintendent & Supervisor of Special Services
Mrs. Teresa O'Brien, Business Administrator

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Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	602.1	(3.37%)
2014-2015	588.6	(2.24%)
2015-2016	553.6	(5.95%)
2016-2017	548.5	(0.92%)
2017-2018	562.8	(2.61%)
2018-2019	534.2	(5.08%)
2019-2020	529.4	(0.90%)
2020-2021	521.0	(1.59%)
2021-2022	511.5	(1.80%)
2022-2023	516.8	1.04%

2. ECONOMIC CONDITION AND OUTLOOK: Holland Township is a rural community of 22.7 square miles. Much of the township remains undeveloped. With few commercial properties in Holland Township to share in the tax base, a township population that includes a significant number of senior citizens on fixed incomes, and dwindling surplus and reduced state aid, homeowners continue to bear the burden of increased local taxes.

3. MAJOR INITIATIVES: The district took on several initiatives in the 2022-2023 school year that are on-going, including:

1. Continuous Professional Development.
2. Long-term planning for facility upgrades.
3. Addition of new textbook series to support NJSLs on K-8 Mathematics, K-8 Science and ELA.
4. Implementation of hiring practices to ensure highly qualified professional personnel in all areas.
5. Growth of programs to support student mental health and special education classrooms.

4. INTERNAL ACCOUNT CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

HOLLAND TOWNSHIP SCHOOL DISTRICT

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5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the total budget amount. The final budgeted amounts, as amended, for the fiscal year are reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues meeting its responsibilities for sound financial management.

8. DEBT ADMINISTRATION: At June 30, 2023, the District has no outstanding debt.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements, Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general-purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

HOLLAND TOWNSHIP SCHOOL DISTRICT

Mrs. Stephanie Snyder, Superintendent & Supervisor of Special Services
Mrs. Teresa O'Brien, Business Administrator

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12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Holland Township School District Board of Education for their dedication in providing fiscal accountability to the citizens and taxpayers of the School District and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,

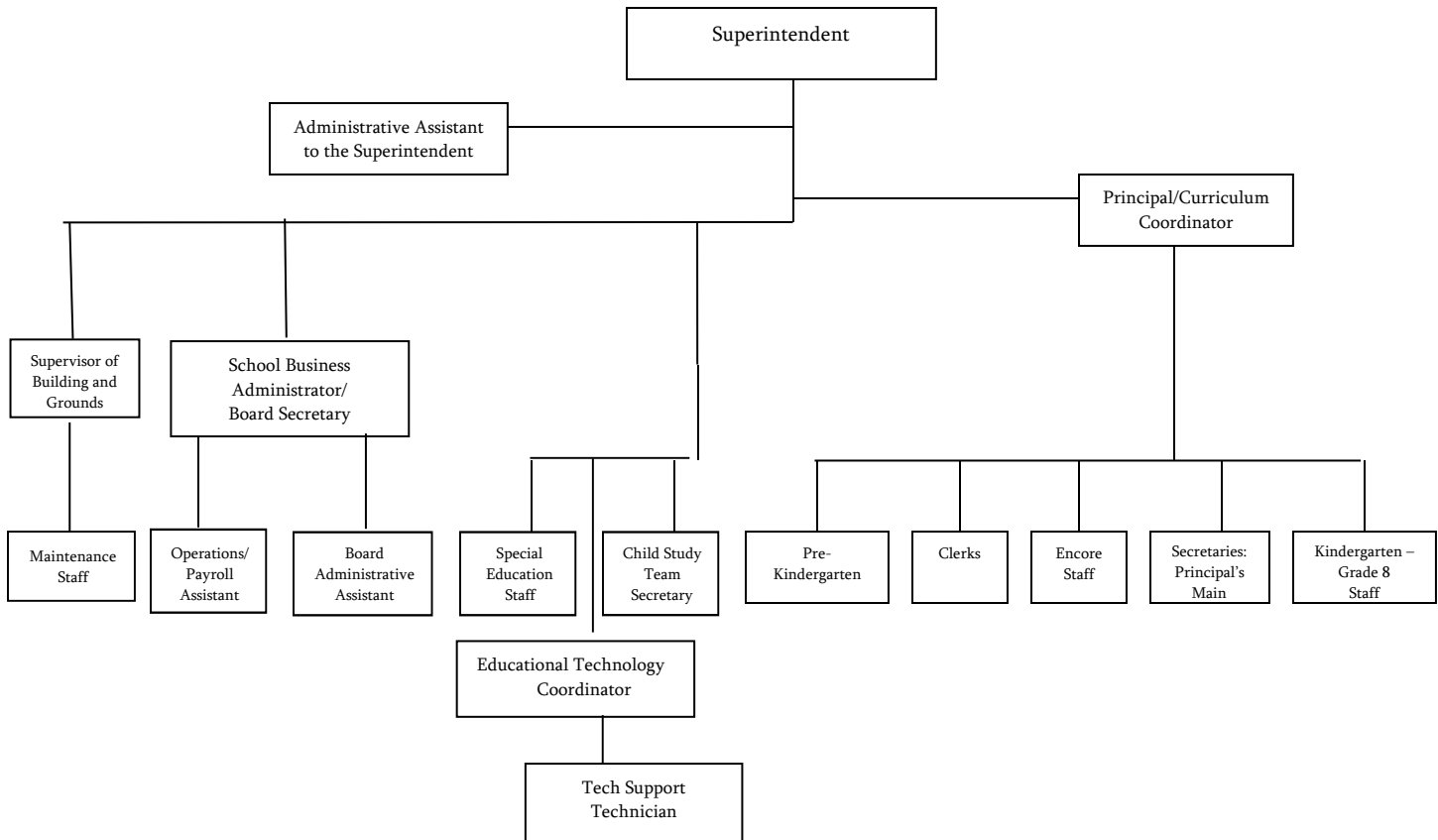
Signature: 

Title: School Business Administrator

Signature: 

Title: Superintendent

1110 ORGANIZATIONAL CHART



Superintendent Evaluations

Principal/Curriculum Coordinator
School Business Administrator/Board

Secretary

Administrative Assistant to the

Superintendent

Educational Technology Coordinator

Board Approved: April 25, 2023



HOLLAND TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2023

Members of the Board of Education	Title	Term Expires
Matthew Davis	President	2025
Laurie Hance	Vice President	2023
Shannon Martin		2023
Nickolas Moustakas		2024
James Muller		2024
Matthew Walker		2024
Michael Giovannetti		2025

Other Officials	Title
Stephanie Snyder	Superintendent
Jack Trent	Board Secretary/School Business Administrator – Ending June 30, 2023
Teresa O’Brien	School Business Administrator - Effective July 1, 2023
Patti Fischer	School Treasurer

HOLLAND TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

Comegno Law Group
521 Pleasant Valley Ave
Morristown, NJ 08057

Hatfield and Schwartz Law Group
Counselors at Law
240 Cedar Knolls Road
Suite 303
Cedar Knolls, NJ 07927

ARCHITECT

Spiezle Architectural Group
120 Sanhican Dr #1
Trenton, NJ 08618

OFFICIAL DEPOSITORY

Citizens Bank



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

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Holland Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the District'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 to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 6, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The discussion and analysis of Holland Township School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$1,102,177 which represents a 14.37% increase from 2022.
- General revenues accounted for \$15,531,824 in revenue or 93.46% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$1,087,304 or 6.54% of total revenues of \$16,619,128.
- Total assets of governmental activities increased by \$773,373 as cash and cash equivalents increased by \$1,053,136, receivables and other assets decreased by \$37,128, and capital assets decreased by \$242,635.
- The School District had \$15,516,951 in expenses; only \$1,087,304 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,531,824 were adequate to provide for these programs.
- Among major funds, the general fund had \$14,874,236 in revenues and \$13,865,163 in expenditures. The general fund's balance increased \$1,009,073 from 2022.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Holland Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Holland Township School District, the general fund is by far the most significant fund.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during fiscal year 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provided.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2023 compared to June 30, 2022.

Table 1
Net Position

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 6,190,214	\$ 5,152,590	\$ 1,037,624	20.14%
Capital assets	5,395,149	5,641,236	(246,087)	-4.36%
Total assets	<u>11,585,363</u>	<u>10,793,826</u>	<u>791,537</u>	<u>7.33%</u>
Deferred outflows of resources				
Deferred amount on pension activity	494,250	525,516	(31,266)	-5.95%
Liabilities				
Long-term liabilities	2,494,511	2,152,490	342,021	15.89%
Other liabilities	82,785	63,357	19,428	30.66%
Total liabilities	<u>2,577,296</u>	<u>2,215,847</u>	<u>361,449</u>	<u>16.31%</u>
Deferred inflows of resources				
Deferred amount on pension activity	729,513	1,432,868	(703,355)	-49.09%
Net position				
Net investment in capital assets	5,395,149	5,641,236	(246,087)	-4.36%
Restricted	3,763,666	4,220,026	(456,360)	-10.81%
Unrestricted	(386,011)	(2,190,635)	1,804,624	82.38%
Total net position	<u>\$ 8,772,804</u>	<u>\$ 7,670,627</u>	<u>\$ 1,102,177</u>	<u>14.37%</u>

Total assets increased \$791,537 cash and cash equivalents increased by \$1,066,244, receivables and other assets decreased by \$28,620 and capital assets decreased by \$246,087. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$1,804,624.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 2
Changes in Net Position

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 517,486	\$ 3,221	\$ 514,265	15966.00 %
Operating grants and contributions	569,818	2,551,513	(1,981,695)	-77.67%
General revenues				
Property taxes	10,349,255	10,146,328	202,927	2.00%
Grants and entitlements	5,112,689	1,545,299	3,567,390	230.85%
Other	69,880	316,151	(246,271)	-77.90%
Total revenues	<u>16,619,128</u>	<u>14,562,512</u>	<u>2,056,616</u>	<u>14.12%</u>
Expenses				
Instruction				
Regular	6,169,182	5,175,497	993,685	19.20%
Special	2,816,311	3,298,389	(482,078)	-14.62%
Other	68,635	323,372	(254,737)	-78.78%
Support services				
Tuition	246,705	-	246,705	*
Student & instructional related services	3,341,138	1,718,313	1,622,825	94.44%
General & business administration	834,397	752,556	81,841	10.88%
School administration	227,926	314,367	(86,441)	-27.50%
Maintenance	990,617	1,205,009	(214,392)	-17.79%
Transportation	632,191	602,782	29,409	4.88%
Food service	174,800	153,297	21,503	14.03%
Other	15,049	-	15,049	*
Total expenses	<u>15,516,951</u>	<u>13,543,582</u>	<u>1,973,369</u>	<u>14.57%</u>
Increase (decrease) in net position before special position	<u>1,102,177</u>	<u>1,018,930</u>	<u>83,247</u>	<u>8.17%</u>
Special Item				
Loss on disposal of assets	-	(11,100)	11,100	100.00%
Increase (decrease) in net position	<u>\$ 1,102,177</u>	<u>\$ 1,007,830</u>	<u>\$ 94,347</u>	<u>9.36%</u>

* Undefined

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
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Unaudited

Governmental Activities

Local property taxes made up 63.04% of revenues for governmental activities for the Holland Township School District for fiscal year 2023.

Instruction comprises 58.35% of district expenses. Support services expenses make up 41.65% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District’s cost of governmental services in fiscal year ending June 30, 2023 compared to June 30, 2022.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 9,054,128	\$ 8,797,258	\$ 8,518,999	\$ \$6,710,551
Support services				
Tuition	246,705	-	136,189	-
Student & instructional staff	3,341,138	1,718,313	3,101,398	1,598,109
General & business administration	834,397	752,556	834,397	725,185
School administration	227,926	314,367	227,926	256,458
Plant operations & maintenance	990,617	1,205,009	990,617	1,145,085
Pupil transportation	632,191	602,782	632,191	601,578
Food services	174,800	153,297	(27,119)	(48,116)
Other	15,049	-	15,049	-
Total expenses	<u>\$ 15,516,951</u>	<u>\$ 13,543,582</u>	<u>\$ 14,429,647</u>	<u>\$ \$10,988,850</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 93.46%. The community, as a whole, is the primary support or funding source for the Holland Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,392,711 and expenditures of \$14,405,796. The general fund had an increase in fund balance of \$1,009,073.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2023, the School District amended its general fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue and other financing sources were \$12,389,572, \$587,073 above original budgeted estimates of \$11,802,499. This difference was primarily due to receiving unbudgeted extraordinary aid.

The general fund revenues of the School District exceeded expenditures and other financing uses by \$1,006,472. This enabled the capital reserve account to be increased by \$896,882. The financial position of the School District remains strong.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Capital Assets

At the end of the fiscal year 2023, the School District had \$5,395,149 invested in land, building, furniture and equipment. Table 4 shows June 30, 2023 balances compared to June 30, 2022.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Land	\$ 347,800	\$ 347,800	\$ -	0.00%
Construction in progress	56,200	-	56,200	*
Land improvements	702,918	734,385	(31,467)	-4.28%
Buildings & improvements	3,731,291	3,902,410	(171,119)	-4.38%
Furniture & equipment	556,940	656,641	(99,701)	-15.18%
	<u>\$ 5,395,149</u>	<u>\$ 5,641,236</u>	<u>\$ (246,087)</u>	<u>-4.36%</u>

* Undefined

Overall capital assets decreased \$246,087 from fiscal year 2022 to fiscal year 2023. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2023, the School District had \$2,494,511 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2023 compared to June 30, 2022.

At June 30, 2023, the legal debt limit is \$22,262,882. General obligation debt at June 30, 2023 is \$0 resulting in a legal debt margin of \$22,262,882.

Table 5
Long-Term Liabilities at Year End

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Compensated absences payable	\$ 315,213	\$ 268,284	\$ 46,929	17.49%
PERS net pension liability	2,179,298	1,884,206	295,092	15.66%
	<u>\$ 2,494,511</u>	<u>\$ 2,152,490</u>	<u>\$ 342,021</u>	<u>15.89%</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

For the Future

The Holland Township School District is in good financial condition. A major concern, however, is the continued increase in special education costs, as a percentage of the total school budget, and the reliance on local property taxes to support the District's programs.

The Holland Township Board of Education continues to work to keep the local tax levy increase at or below 2%. The 2% annual tax levy cap presents challenges to the District, as costs for special education, personnel, benefits and other operating costs are rising at faster rates than the primary tax revenue source. Receiving minimal state aid, Holland Township School District must rely on local property taxes to support approximately 84 percent of their operating budget.

New Jersey School Districts have no taxing authority. Municipalities collect all property taxes for their respective communities and pay over to the other governmental agencies what is collected on their behalf. The Municipalities pay over to School Districts the exact amount included in the budget approved by the Holland Township Board of Education the previous May.

In conclusion, The Holland Township School District has committed itself to financial excellence. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District will continue the sound financial management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Teresa O'Brien, School Business Administrator/Board Secretary at Holland Township Board of Education, 714 Milford-Warren Glen Road, Milford 08848.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,962,882	\$ 60,800	\$ 2,023,682
Receivables, net	360,657	1,122	361,779
Due from other funds	-	14,975	14,975
Inventory	-	7,302	7,302
Restricted assets			
Capital reserve account - cash	2,789,534	-	2,789,534
Emergency reserve - cash	250,000	-	250,000
Maintenance reserve - cash	645,445	-	645,445
Student activities - cash	22,457	-	22,457
Unemployment claims - cash	75,040	-	75,040
Capital assets, net			
Land	347,800	-	347,800
Construction in progress	56,200	-	56,200
Other capital assets, net of depreciation	4,982,721	8,428	4,991,149
Total assets	11,492,736	92,627	11,585,363
Deferred outflows of resources			
Deferred amount on pension activity	494,250	-	494,250
Liabilities			
Accounts payable	6,662	5,108	11,770
Due to other funds	14,975	-	14,975
Payroll deductions and withholdings payable	23,693	-	23,693
Unearned revenue	7,695	5,842	13,537
Unemployment compensation claims payable	18,810	-	18,810
Long-term liabilities			
Due beyond one year	2,494,511	-	2,494,511
Total liabilities	2,566,346	10,950	2,577,296
Deferred inflows of resources			
Deferred amount on pension liability	729,513	-	729,513

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 5,386,721	\$ 8,428	\$ 5,395,149
Restricted for			
Capital reserve	2,789,534	-	2,789,534
Emergency reserve	250,000	-	250,000
Maintenance reserve	645,445	-	645,445
Student activities	22,457	-	22,457
Unemployment claims	56,230	-	56,230
Unrestricted	(459,260)	73,249	(386,011)
Total net position	<u>\$ 8,691,127</u>	<u>\$ 81,677</u>	<u>\$ 8,772,804</u>

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,353,179	\$ 2,816,003	\$ 366,910	\$ 138,221	\$ -	\$ (5,664,051)	\$ -	\$ (5,664,051)
Special education	1,331,383	1,292,145	-	16,610	-	(2,606,918)	-	(2,606,918)
Other special education	88,931	103,852	-	13,388	-	(179,395)	-	(179,395)
Other instruction	54,940	13,695	-	-	-	(68,635)	-	(68,635)
Support services								
Tuition	246,705	-	-	110,516	-	(136,189)	-	(136,189)
Students & instruction related services	2,400,635	940,503	40,638	199,102	-	(3,101,398)	-	(3,101,398)
General & business administration services	555,110	279,287	-	-	-	(834,397)	-	(834,397)
School administration services	123,394	104,532	-	-	-	(227,926)	-	(227,926)
Plant operations & maintenance	878,666	111,951	-	-	-	(990,617)	-	(990,617)
Pupil transportation	632,191	-	-	-	-	(632,191)	-	(632,191)
Interest on long-term debt	15,049	-	-	-	-	(15,049)	-	(15,049)
Total governmental activities	<u>9,680,183</u>	<u>5,661,968</u>	<u>407,548</u>	<u>477,837</u>	<u>-</u>	<u>(14,456,766)</u>	<u>-</u>	<u>(14,456,766)</u>
Business-type activities								
Food service	174,800	-	109,938	91,981	-	-	27,119	27,119
Total business-type activities	<u>174,800</u>	<u>-</u>	<u>109,938</u>	<u>91,981</u>	<u>-</u>	<u>-</u>	<u>27,119</u>	<u>27,119</u>
Total primary government	<u>\$ 9,854,983</u>	<u>\$ 5,661,968</u>	<u>\$ 517,486</u>	<u>\$ 569,818</u>	<u>\$ -</u>	<u>(14,456,766)</u>	<u>27,119</u>	<u>(14,429,647)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						10,349,255	-	10,349,255
Federal & state aid not restricted						5,112,689	-	5,112,689
Investment earnings						69,170	710	69,880
Total general revenues, special items & transfers						<u>15,531,114</u>	<u>710</u>	<u>15,531,824</u>
Change in net position						1,074,348	27,829	1,102,177
Net position - beginning (as restated)						7,616,779	53,848	7,670,627
Net position - ending						<u>\$ 8,691,127</u>	<u>\$ 81,677</u>	<u>\$ 8,772,804</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 1,962,882	\$ -	\$ -	\$ -	\$ 1,962,882
Due from other funds	77,139	-	-	-	77,139
Receivables from other governments					
State	266,004	26,202	-	-	292,206
Federal	-	55,847	-	-	55,847
Local	8,214	-	-	-	8,214
Other accounts receivable	1,605	2,785	-	-	4,390
Restricted cash and cash equivalents	3,760,019	22,457	-	-	3,782,476
Total assets	<u>\$ 6,075,863</u>	<u>\$ 107,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,183,154</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 14,975	\$ 77,139	\$ -	\$ -	\$ 92,114
Accounts payable	6,662	-	-	-	6,662
Payroll deductions and withholdings payable	23,693	-	-	-	23,693
Unearned revenue	-	7,695	-	-	7,695
Unemployment compensation claims payable	18,810	-	-	-	18,810
Total liabilities	<u>64,140</u>	<u>84,834</u>	<u>-</u>	<u>-</u>	<u>148,974</u>

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Excess surplus - current year	250,000	-	-	-	250,000
Capital reserve	2,789,534	-	-	-	2,789,534
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	645,445	-	-	-	645,445
Student activities	-	22,457	-	-	22,457
Unemployment claims	56,230	-	-	-	56,230
Committed fund balance					
Year-end encumbrances	768,265	-	-	-	768,265
Assigned fund balance					
Designated for subsequent year's expenditures	465,908	-	-	-	465,908
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30,2024	140,779	-	-	-	140,779
Unassigned fund balance	395,562	-	-	-	395,562
Total fund balances	<u>6,011,723</u>	<u>22,457</u>	<u>-</u>	<u>-</u>	<u>6,034,180</u>
Total liabilities and fund balances	<u>\$ 6,075,863</u>	<u>\$ 107,291</u>	<u>\$ -</u>	<u>\$ -</u>	

Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,228,859 and the accumulated depreciation is \$4,842,138. 5,386,721

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (235,263)

Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (2,494,511)

Total net position of governmental activities \$ 8,691,127

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 10,349,255	\$ -	\$ -	\$ -	\$ 10,349,255
Tuition					
Individuals	176,100	-	-	-	176,100
Other LEAs within the state	190,810	-	-	-	190,810
Interest	69,170	-	-	-	69,170
Miscellaneous	-	40,638	-	-	40,638
Total local sources	<u>10,785,335</u>	<u>40,638</u>	<u>-</u>	<u>-</u>	<u>10,825,973</u>
State sources	4,088,901	26,202	-	-	4,115,103
Federal sources	-	451,635	-	-	451,635
Total revenues	<u>14,874,236</u>	<u>518,475</u>	<u>-</u>	<u>-</u>	<u>15,392,711</u>
Expenditures					
Current					
Instructional					
Regular instruction	3,214,958	138,221	-	-	3,353,179
Special education instruction	1,320,383	11,000	-	-	1,331,383
Other special instruction	75,543	13,388	-	-	88,931
Other instruction	54,940	-	-	-	54,940
Support service & undistributed costs					
Tuition	136,189	110,516	-	-	246,705
Student & instruction related services	2,138,737	261,898	-	-	2,400,635
General & business administrative services	555,110	-	-	-	555,110
School administrative services	123,394	-	-	-	123,394
Plant operations & maintenance	878,666	-	-	-	878,666
Pupil transportation	632,191	-	-	-	632,191
Unallocated benefits	4,649,609	5,610	-	-	4,655,219

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 70,394	\$ -	\$ -	\$ -	\$ 70,394
Debt service					
Interest & other charges	15,049	-	-	-	15,049
Total expenditures	<u>13,865,163</u>	<u>540,633</u>	<u>-</u>	<u>-</u>	<u>14,405,796</u>
Excess (deficit) of revenues over (under) expenditures	1,009,073	(22,158)	-	-	986,915
Fund balances, July 1	<u>5,002,650</u>	<u>44,615</u>	<u>-</u>	<u>-</u>	<u>5,047,265</u>
Fund balances, June 30	<u><u>\$ 6,011,723</u></u>	<u><u>\$ 22,457</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,034,180</u></u>

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Total net changes in fund balances - governmental fund (from B-2)	\$	986,915
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlays	\$	70,394
Depreciation expense		(313,029)
		(242,635)
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		376,997
<p>In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(46,929)
Change in net position of governmental activities	\$	1,074,348

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 60,800
Interfund receivable	14,975
Receivables from other governments	
State	52
Federal	981
Other	89
Inventory	7,302
Total current assets	84,199
Noncurrent assets	
Capital assets	87,903
Less: accumulated depreciation	79,475
Total noncurrent assets	8,428
Total assets	92,627
Liabilities	
Current liabilities	
Accounts payable	5,108
Unearned revenues - commodities	781
Unearned revenues - prepaid sales	5,061
Total liabilities	10,950
Net position	
Invested in capital assets, net of related debt	8,428
Unrestricted	73,249
Total net position	\$ 81,677

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 65,179
Daily sales - non-reimbursable programs	44,759
Total operating revenues	109,938
Operating expenses	
Cost of sales - reimbursable programs	44,781
Cost of sales - non-reimbursable programs	22,820
Commodity food costs	18,031
Salaries	53,704
Supports services - employee benefits	7,866
Purchased professional/technical services	1,681
Other purchased services	
Insurance	8,054
Management fee	9,804
Supplies and materials	4,607
Depreciation	3,452
Total operating expenses	174,800
Operating income (loss)	(64,862)
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,812
Federal sources	
National school lunch program	
Cash assistance	49,022
Non-cash assistance (commodities)	18,031
Supply Chain Assistance	23,116
Other sources	
Interest earned on investments	710
Total non-operating revenues (expenses)	92,691
Change in net position	27,829
Net position, beginning (as restated)	53,848
Net position, ending	\$ 81,677

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Food Service Fund
Cash flows from operating activities	
Receipts from customers	\$ 107,412
Payments to Food Service Management Company	(149,714)
Payments to vendors (net)	(570)
Net cash provided by (used for) operating activities	(42,872)
Cash flows from non-capital financing activities	
State sources	1,882
Federal sources	77,105
Interfund	(23,718)
Net cash provided by (used for) non-capital financing activities	55,269
Cash flows from investing activities	
Interest earned on investments	710
Net cash provided by (used for) investing activities	710
Net increase (decrease) in cash and cash equivalents	13,107
Cash and cash equivalents, beginning	47,693
Cash and cash equivalents, ending	\$ 60,800
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (64,862)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	3,452
Federal food donation program	18,031
Increase (decrease) in accounts payable	3,581
(Increase) decrease in inventory	1,429
Increase (decrease) in deferred revenue	(4,503)
Net cash provided by (used for) operating activities	\$ (42,872)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Holland Township School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2023 of 517 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aid.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

The District did not utilize the capital projects fund during the fiscal year.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District did not utilize the debt service fund during the fiscal year.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)
Proprietary fund types (continued)

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 are based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

Short-term interfund receivables and payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

School taxes are guaranteed, as to the amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2023, the District had no investments.

New Jersey Governmental 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 Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2023, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	5,771,159
Total bank balances	\$ 6,021,159

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash		\$ 5,806,158
Unrestricted cash		
Governmental funds, Balance Sheet	<u>Ref.</u> B-1	\$ 1,962,882
Enterprise funds, Statement of Net Position	B-4	60,800
Restricted cash		
Governmental funds, Balance Sheet	B-1	3,782,476
Total cash		\$ 5,806,158

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 347,800	\$ -	\$ -	\$ 347,800
Construction in progress	-	56,200	-	56,200
Total	<u>347,800</u>	<u>56,200</u>	<u>-</u>	<u>404,000</u>
Capital assets, being depreciated				
Land improvements	1,054,912	-	-	1,054,912
Building & improvements	7,555,528	-	-	7,555,528
Furniture & equipment	1,200,225	14,194	-	1,214,419
Total	<u>9,810,665</u>	<u>14,194</u>	<u>-</u>	<u>9,824,859</u>
Accumulated depreciation				
Land improvements	320,527	31,467	-	351,994
Building & improvements	3,653,118	171,119	-	3,824,237
Furniture & equipment	555,464	110,443	-	665,907
Total	<u>4,529,109</u>	<u>313,029</u>	<u>-</u>	<u>4,842,138</u>
Total capital assets, being depreciated, net	<u>5,281,556</u>	<u>(298,835)</u>	<u>-</u>	<u>4,982,721</u>
Governmental activities capital assets, net	<u>\$ 5,629,356</u>	<u>\$ (242,635)</u>	<u>\$ -</u>	<u>\$ 5,386,721</u>
	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 87,903	\$ -	\$ -	\$ 87,903
Less: accumulated depreciation	76,023	3,452	-	79,475
Business type activities capital assets, net	<u>\$ 11,880</u>	<u>\$ (3,452)</u>	<u>\$ -</u>	<u>\$ 8,428</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction			
Regular		\$	121,939
Special education			48,416
Other special instruction			3,234
Other instruction			1,998
Support services			
Student & instruction			87,299
General & business administration			20,187
School administration			4,487
Plant maintenance			25,469
Total depreciation expense, governmental activities		<u>\$</u>	<u>313,029</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences payable	\$ 268,284	\$ 46,929	\$ -	\$ 315,213	\$ -
PERS net pension liability	<u>1,884,206</u>	<u>295,092</u>	<u>-</u>	<u>2,179,298</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 2,152,490</u>	<u>\$ 342,021</u>	<u>\$ -</u>	<u>\$ 2,494,511</u>	<u>\$ -</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$22,262,882. General obligation debt at June 30, 2023 is \$0 resulting in a legal debt margin of \$22,262,882.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions (continued)

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2023 was 28.22% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2022:

Net pension liability	\$	2,179,298
Proportionate share		0.0144406872%
 Plan fiduciary net position as a percentage of the total pension liability		 62.91%

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

Inflation rate		
Price		2.75%
Wage		3.25%
 Salary increases (based on years of service)		 2.75 - 6.55%
 Investment rate of return		 7.00%

Collective net pension liability and actuarial information

Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2022 measurement date are summarized in the following table:

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

Discount rate

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

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

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

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,179,298
At a 1% lower rate (6.00%)	2,823,471
At a 1% higher rate (8.00%)	1,665,245

Collective deferred outflows of resources and deferred inflows of resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,729	\$ 13,871
Changes of assumptions	6,752	326,327
Net difference between projected and actual earnings on pension plan investments	90,199	-
Changes in proportion and differences between District contributions and proportionate share of contributions	199,466	389,315
District contributions subsequent to the measurement date	182,104	-
Total	\$ 494,250	\$ 729,513

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2023, the Plan measurement date is June 30, 2022) of \$182,104 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

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

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 29,716	\$ (13,987)	\$ 15,729
Changes of assumptions	-	6,752	6,752
Differences between expected and actual experience	9,813	80,386	90,199
Deferred inflows of resources			
Differences between expected and actual experience	(13,489)	(382)	(13,871)
Changes of assumptions	(670,789)	344,462	(326,327)
Difference between projected and actual earnings on pension plan investments	(496,349)	496,349	-
Net of deferred outflows	<u>\$ (1,141,098)</u>	<u>\$ 913,580</u>	<u>\$ (227,518)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2023	\$ (186,938)
2024	(95,239)
2025	(46,446)
2026	101,328
2027	(223)
Total	<u>\$ (227,518)</u>

Pension expense (benefit)

For the year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$194,891), which represents the District's proportionate share of allocable plan pension revenue of (\$157,826), plus the net amortization of deferred amounts from changes in proportion of (\$41,229), and plus other adjustments to the net pension liability of (\$4,164). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit) (continued)

Service cost	\$	105,045
Interest on total pension liability		421,305
Benefit changes		1,222
Member contributions		(87,601)
Administrative expense		1,881
Expected investment return net of investment expense		(281,234)
Pension expense related to specific liabilities of individual employers		(1,509)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		4,987
Changes of assumptions		(314,928)
Difference between projected and actual investment earnings on pension plan investments		(6,994)
Pension expense (benefit)	\$	(157,826)

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

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 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in 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 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. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,642,519 to the TPAF for normal pension benefits on behalf of the District.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$	29,903,334
Less: State proportionate share of net pension liability		9,654,898
Net pension liability	\$	20,248,436
 Proportionate share		 0.0392454015%
 Plan fiduciary net position as a percentage of the total pension liability		 32.29%

Actuarial assumptions

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

Inflation rate		
Price		2.75%
Wage		3.25%
 Salary increases (based on years of service)		 2.75 - 5.65%
 Investment rate of return		 7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

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

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. 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 after that date in determining the total pension liability.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

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

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

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	20,248,436
At a 1% lower rate (6.00%)		23,741,721
At a 1% higher rate (8.00%)		17,305,782

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

Service cost	\$	468,256
Interest on total pension liability		2,016,735
Benefit changes		-
Member contributions		(355,518)
Administrative expense		4,951
Expected investment return net of investment expense		(777,059)
Pension expense related to specific liabilities of individual employers		(155)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		78,636
Changes of assumptions		(939,005)
Difference between projected and actual investment earnings on pension plan investments		48,101
Pension expense (benefit)	\$	<u>544,942</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2023 was \$2,275.

D. Other pension plan information

During the year ended June 30, 2023, the State of New Jersey contributed \$437,352 to the TPAF for postretirement medical benefits, \$22,782 for non-contributory insurance premiums, \$621 for long-term disability insurance, and \$1,642,067 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$379,241 during the year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: TPAF, PERS, PFRS, or ABP.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. 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. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State’s level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District’s proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State’s proportionate share of the OPEB liability	\$ 50,646,462,966
District’s proportionate share of the State’s OPEB liability	24,814,776
Employer OPEB expense and related revenue	474,261
Allocable proportionate percentage	0.0489960691%

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2021	\$ 28,781,677
Service cost	1,141,099
Interest cost	657,619
Change of benefit terms	-
Differences between expected and actual experiences	1,521,661
Changes of assumptions	(6,656,786)
Member contributions	20,897
Gross benefit payments	(651,391)
Total OPEB liability at June 30, 2022	\$ 24,814,776

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54% as of the June 30, 2022 Plan measurement date.

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

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 Safety (PERS), General (PERS), and Teachers (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

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

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$ 24,814,776
At a 1% lower rate (2.54%)	29,167,159
At a 1% higher rate (4.54%)	21,326,559

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 24,814,776
At a 1% lower rate (1% decrease)	20,510,929
At a 1% higher rate (1% increase)	30,468,140

For the year ended June 30, 2022, the District recognized OPEB expense of \$474,261 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

Equitable
 Variable Annuity Life Insurance Co.
 Lincoln Investment Planning

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$	5,774
Supplies		1,528
Total	\$	7,302

Note 10 - Interfund receivables and payables

The special revenue fund had an interfund payable of \$77,139 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The general fund had an interfund payable of \$14,975 due to the food service fund for subsidies received not yet transferred to the food service fund.

Note 11 - Contingent liabilities

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management (continued)

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the state. The District is billed quarterly for amounts due to the state. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District’s unemployment compensation insurance fund:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2022 - 2023	\$ -	\$ 756	\$ 12,362	\$ 13,582	\$ 75,040
2021 - 2022	-	43	11,764	-	75,504
2020 - 2021	-	52	10,762	2,539	63,697

Note 13 - District reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - District reserve accounts (continued)

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$2,569,109	\$ 896,882	\$ 12,128	\$ -	\$ 688,585	\$2,789,534
Emergency	250,000	-	-	-	-	250,000
Maintenance	800,828	-	-	-	155,383	645,445
Total	<u>\$3,619,937</u>	<u>\$ 896,882</u>	<u>\$ 12,128</u>	<u>\$ -</u>	<u>\$ 843,968</u>	<u>\$3,684,979</u>

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 250,000
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	250,000
Capital reserve account - represents funds restricted to capital projects in the District's long range facilities plan.	2,789,534
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	645,445
Unemployment compensation - represents funds accumulated for future unemployment claims.	56,230

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	768,265
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Assigned Fund Balance

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	465,908
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 – June 30, 2024	140,779

Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	497,271
Total fund balance - budgetary basis (Exhibit C-1)	<u>6,113,432</u>
Last state aid payments not recognized on GAAP basis	<u>(101,709)</u>
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 6,011,723</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$250,000.

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2023 of (\$459,260) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.

Note 18 - Subsequent events

The District has evaluated subsequent events through December 5, 2023 which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 10,349,255	\$ -	\$10,349,255	\$10,349,255	\$ -
Tuition from individuals	120,000	-	120,000	176,100	56,100
Tuition from other LEAs within the state	90,477	-	90,477	190,810	100,333
Unrestricted miscellaneous revenues	26,580	-	26,580	56,286	29,706
Interest earned on capital reserve funds	-	-	-	12,128	12,128
Other restricted miscellaneous revenues	-	-	-	756	756
Total	10,586,312	-	10,586,312	10,785,335	199,023
State sources					
School Choice Aid	110,133	-	110,133	110,133	-
Categorical Transportation Aid	36,300	-	36,300	36,300	-
Extraordinary Aid	-	-	-	246,335	246,335
Categorical Special Education Aid	373,356	-	373,356	373,356	-
Equalization Aid	686,945	-	686,945	686,945	-
Categorical Security Aid	9,453	-	9,453	9,453	-
Stabilization Aid	-	-	-	140,779	140,779
Other state aid	-	-	-	936	936
TPAF Pension (on-behalf)	-	-	-	1,642,067	1,642,067
TPAF Non-contributory insurance	-	-	-	22,782	22,782
TPAF Social Security (reimbursed)	-	-	-	379,241	379,241
TPAF Post retirement benefits	-	-	-	437,352	437,352
TPAF Long-term disability insurance	-	-	-	621	621
Total	1,216,187	-	1,216,187	4,086,300	2,870,113
Total revenues	\$ 11,802,499	\$ -	\$11,802,499	\$14,871,635	\$ 3,069,136
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 141,031	\$ (5,713)	\$ 135,318	\$ 135,318	\$ -
Kindergarten	255,657	(3,054)	252,603	252,603	-
Grades 1-5	1,386,234	(1,170)	1,385,064	1,384,264	800
Grades 6-8	1,059,238	42,103	1,101,341	1,100,935	406
Home instruction					
Salaries of teacher	-	4,213	4,213	4,213	-
Regular programs - undistributed instruction					
Purchased professional - educational services	1,000	(1,000)	-	-	-
Purchased technical services	24,325	1,000	25,325	23,314	2,011
Other purchased services	72,280	4,032	76,312	74,212	2,100
General supplies	204,664	(22,163)	182,501	163,669	18,832
Textbooks	33,277	43,018	76,295	76,295	-
Other objects	200	-	200	135	65
Total	3,177,906	61,266	3,239,172	3,214,958	24,214

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 129,369	\$ (129,369)	\$ -	\$ -	\$ -
Other salaries for instruction	700	66,383	67,083	67,083	-
General supplies	580	6,658	7,238	7,238	-
Total	<u>130,649</u>	<u>(56,328)</u>	<u>74,321</u>	<u>74,321</u>	<u>-</u>
Multiple disabilities					
Salaries of Teachers	67,684	(67,684)	-	-	-
Other salaries for instruction	1,100	83,947	85,047	85,047	-
General supplies	-	201	201	201	-
Total	<u>68,784</u>	<u>16,464</u>	<u>85,248</u>	<u>85,248</u>	<u>-</u>
Resource room/resource center					
Salaries of Teachers	1,073,154	(1,073,154)	-	-	-
Other salaries for instruction	25,000	1,056,502	1,081,502	1,080,484	1,018
General supplies	5,021	1,601	6,622	6,306	316
Total	<u>1,103,175</u>	<u>(15,051)</u>	<u>1,088,124</u>	<u>1,086,790</u>	<u>1,334</u>
Preschool disabilities - part-time					
Salaries of Teachers	69,203	(69,203)	-	-	-
Other salaries for instruction	2,000	68,716	70,716	70,503	213
General supplies	7,338	(2,080)	5,258	3,521	1,737
Total	<u>78,541</u>	<u>(2,567)</u>	<u>75,974</u>	<u>74,024</u>	<u>1,950</u>
Total special education	<u>1,381,149</u>	<u>(57,482)</u>	<u>1,323,667</u>	<u>1,320,383</u>	<u>3,284</u>
Basic skills/remedial					
Salaries of Teachers	69,487	5,911	75,398	75,398	-
General supplies	200	-	200	145	55
Total	<u>69,687</u>	<u>5,911</u>	<u>75,598</u>	<u>75,543</u>	<u>55</u>
School-sponsored co/extracurricular activities - instruction					
Salaries	41,236	(3,249)	37,987	27,502	10,485
Supplies and materials	400	-	400	262	138
Total	<u>41,636</u>	<u>(3,249)</u>	<u>38,387</u>	<u>27,764</u>	<u>10,623</u>
School-sponsored athletics - instruction					
Salaries	23,966	121	24,087	22,645	1,442
Purchased services	7,000	(239)	6,761	4,245	2,516
Supplies and materials	4,000	(63)	3,937	-	3,937
Other objects	300	-	300	286	14
Total	<u>35,266</u>	<u>(181)</u>	<u>35,085</u>	<u>27,176</u>	<u>7,909</u>
Total instruction regular	<u>\$ 4,705,644</u>	<u>\$ 6,265</u>	<u>\$ 4,711,909</u>	<u>\$ 4,665,824</u>	<u>\$ 46,085</u>

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 174,216	\$ (33,460)	\$ 140,756	\$ 7,650	\$ 133,106
Tuition - other	125,000	3,539	128,539	128,539	-
Total	<u>299,216</u>	<u>(29,921)</u>	<u>269,295</u>	<u>136,189</u>	<u>133,106</u>
Undistributed expenditures - attendance & social work					
Salaries	-	2,782	2,782	2,782	-
Total	<u>-</u>	<u>2,782</u>	<u>2,782</u>	<u>2,782</u>	<u>-</u>
Undistributed expenditures - health services					
Salaries	136,021	(1,061)	134,960	134,775	185
Purchased professional and technical services	71,640	274	71,914	67,254	4,660
Other purchased services	300	-	300	-	300
Supplies and materials	4,447	(604)	3,843	3,187	656
Total	<u>212,408</u>	<u>(1,391)</u>	<u>211,017</u>	<u>205,216</u>	<u>5,801</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	263,942	(9,623)	254,319	249,225	5,094
Purchased professional - educational services	12,000	22,398	34,398	31,649	2,749
Supplies and materials	1,574	(340)	1,234	418	816
Other objects	198	279	477	477	-
Total	<u>277,714</u>	<u>12,714</u>	<u>290,428</u>	<u>281,769</u>	<u>8,659</u>
Undistributed expend - other supp. service stds. - extra service					
Purchased professional - educational services	850,000	2,691	852,691	834,915	17,776
Supplies and materials	500	-	500	-	500
Total	<u>850,500</u>	<u>2,691</u>	<u>853,191</u>	<u>834,915</u>	<u>18,276</u>
Undistributed expenditures - guidance					
Salaries of other Professional Staff	134,742	904	135,646	77,777	57,869
Other purchased services	450	(13)	437	-	437
Supplies and materials	3,115	13	3,128	2,494	634
Total	<u>138,307</u>	<u>904</u>	<u>139,211</u>	<u>80,271</u>	<u>58,940</u>
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	264,191	(264,191)	-	-	-
Salaries of Secretarial and Clerical Assistants	44,194	404,805	448,999	419,956	29,043
Purchased professional - educational services	20,000	(19,013)	987	987	-
Other purchased professional & technical services	-	14,550	14,550	12,327	2,223
Supplies and materials	1,250	545	1,795	1,748	47
Other objects	500	-	500	200	300
Total	<u>330,135</u>	<u>136,696</u>	<u>466,831</u>	<u>435,218</u>	<u>31,613</u>

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	\$ 39,291	\$ -	\$ 39,291	\$ 39,291	\$ -
Salaries of other Professional Staff	3,500	-	3,500	803	2,697
Other purchased professional & technical services	3,500	-	3,500	1,600	1,900
Other purchased services	200	-	200	-	200
Supplies and materials	1,000	-	1,000	-	1,000
Total	<u>47,491</u>	<u>-</u>	<u>47,491</u>	<u>41,694</u>	<u>5,797</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	85,966	(1,152)	84,814	83,520	1,294
Salaries of technology coordinators	149,615	1	149,616	149,616	-
Other purchased services	4,609	(64)	4,545	4,111	434
Supplies and materials	5,589	945	6,534	6,358	176
Total	<u>245,779</u>	<u>(270)</u>	<u>245,509</u>	<u>243,605</u>	<u>1,904</u>
Undistributed expend. - instructional staff training services					
Salaries of supervisor of instruction	26,720	(11,475)	15,245	10,020	5,225
Other purchased services	4,100	5,805	9,905	3,247	6,658
Total	<u>30,820</u>	<u>(5,670)</u>	<u>25,150</u>	<u>13,267</u>	<u>11,883</u>
Undistributed expend. - support service - general admin.					
Salaries	170,878	4,069	174,947	174,947	-
Legal services	65,000	(65,000)	-	-	-
Audit fees	20,000	(20,000)	-	-	-
Purchased technical services	10,300	85,426	95,726	83,394	12,332
Communications/telephone	45,000	(5,735)	39,265	38,648	617
BOE other purchased services	3,000	-	3,000	1,511	1,489
Misc. purchased services	41,072	4,439	45,511	42,729	2,782
General supplies	1,450	(622)	828	828	-
Miscellaneous expenditures	7,320	(7,320)	-	-	-
BOE membership dues and fees	-	8,192	8,192	8,192	-
Total	<u>364,020</u>	<u>3,449</u>	<u>367,469</u>	<u>350,249</u>	<u>17,220</u>
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	72,970	-	72,970	72,970	-
Salaries of Secretarial and Clerical Assistants	47,399	761	48,160	48,160	-
Other purchased services	850	-	850	478	372
Supplies and materials	1,500	-	1,500	777	723
Other objects	2,120	(761)	1,359	1,009	350
Total	<u>124,839</u>	<u>-</u>	<u>124,839</u>	<u>123,394</u>	<u>1,445</u>
Undistributed expend. - central services					
Salaries	240,234	(23,974)	216,260	169,270	46,990
Purchased technical services	33,250	350	33,600	31,812	1,788
Miscellaneous purchased services	3,700	(499)	3,201	275	2,926
Supplies and materials	1,600	-	1,600	1,499	101
Other objects	2,125	-	2,125	2,005	120
Total	<u>280,909</u>	<u>(24,123)</u>	<u>256,786</u>	<u>204,861</u>	<u>51,925</u>

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	\$ 464,728	\$ 25,228	\$ 489,956	\$ 125,989	\$ 363,967
General supplies	35,000	(35,000)	-	-	-
Total	<u>499,728</u>	<u>(9,772)</u>	<u>489,956</u>	<u>125,989</u>	<u>363,967</u>
Undistributed expend. - custodial services					
Salaries	445,228	(49,286)	395,942	328,677	67,265
Cleaning, repair, and maintenance service	10,400	2,935	13,335	11,824	1,511
Other purchased property services	36,500	1,063	37,563	37,563	-
Insurance	86,468	15,810	102,278	101,041	1,237
Miscellaneous purchased services	-	953	953	953	-
General supplies	35,434	(8,742)	26,692	24,590	2,102
Energy (natural gas)	60,000	24,791	84,791	84,791	-
Energy (electricity)	125,000	(4,743)	120,257	108,518	11,739
Other objects	750	-	750	433	317
Total	<u>799,780</u>	<u>(17,219)</u>	<u>782,561</u>	<u>698,390</u>	<u>84,171</u>
Undistributed expend. - care and upkeep of grounds					
Cleaning, repair, and maintenance service	21,000	7,618	28,618	27,993	625
General supplies	10,000	(3,856)	6,144	5,138	1,006
Total	<u>31,000</u>	<u>3,762</u>	<u>34,762</u>	<u>33,131</u>	<u>1,631</u>
Undistributed expend. - security					
Cleaning, repair, and maintenance service	9,250	8,881	18,131	15,008	3,123
General supplies	3,000	4,623	7,623	6,148	1,475
Total	<u>12,250</u>	<u>13,504</u>	<u>25,754</u>	<u>21,156</u>	<u>4,598</u>
Undistributed expend. - student transportation service					
Salaries for pupil trans (between home & school) - reg.	-	2,000	2,000	2,000	-
Contr service (between home & school) - joint agreements	448,755	(2,923)	445,832	445,832	-
Contr service (sp ed stds) - joint agreements	261,050	(70,057)	190,993	184,359	6,634
Total	<u>709,805</u>	<u>(70,980)</u>	<u>638,825</u>	<u>632,191</u>	<u>6,634</u>
Unallocated benefits - employee benefits					
Social Security contributions	120,000	(2,961)	117,039	89,421	27,618
Other retirement contributions - PERS	150,000	35,065	185,065	185,065	-
Other retirement contributions - regular	3,500	-	3,500	1,700	1,800
Workmen's compensation	98,466	(19,986)	78,480	78,480	-
Health benefits	1,849,000	(84,708)	1,764,292	1,722,057	42,235
Tuition reimbursement	20,000	12,451	32,451	32,451	-
Other employee benefits	5,200	33,628	38,828	36,423	2,405
Unused sick payment to terminated/retired staff	45,000	(11,607)	33,393	21,949	11,444
Total	<u>2,291,166</u>	<u>(38,118)</u>	<u>2,253,048</u>	<u>2,167,546</u>	<u>85,502</u>

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 1,642,067	\$ (1,642,067)
On-behalf TPAF Non-contributory insurance	-	-	-	22,782	(22,782)
On-behalf TPAF Post retirement medical benefits	-	-	-	437,352	(437,352)
On-behalf TPAF Long-term disability insurance	-	-	-	621	(621)
Reimbursed TPAF Social Security contribution	-	-	-	379,241	(379,241)
Total	-	-	-	2,482,063	(2,482,063)
 Total undistributed expenditures	 \$ 7,545,867	 \$ (20,962)	 \$ 7,524,905	 \$ 9,113,896	 \$ (1,588,991)
 Total current	 \$ 12,251,511	 \$ (14,697)	 \$ 12,236,814	 \$ 13,779,720	 \$ (1,542,906)
 Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 14,197	\$ 14,197	\$ 14,194	\$ 3
Undistributed expenditures - care and upkeep of grounds	-	89,490	89,490	-	89,490
Total equipment	-	103,687	103,687	14,194	89,493
 Facilities acquisition and construction service					
Other purchased professional and technology services	-	66,700	66,700	56,200	10,500
Construction services	-	621,885	621,885	-	621,885
Assessment for debt service on SDA funding	15,049	-	15,049	15,049	-
Total facilities acquisition and construction service	15,049	688,585	703,634	71,249	632,385
 Total capital outlay	 \$ 15,049	 \$ 792,272	 \$ 807,321	 \$ 85,443	 \$ 721,878
 Total expenditures	 \$ 12,266,560	 \$ 777,575	 \$ 13,044,135	 \$ 13,865,163	 \$ (821,028)
 Excess (deficiency) of revenues over (under) expenditures	 \$ (464,061)	 \$ (777,575)	 \$ (1,241,636)	 \$ 1,006,472	 \$ 2,248,108

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Fund balances, July 1	\$ 5,106,960	\$ -	\$ 5,106,960	\$ 5,106,960	\$ -
Fund balances, June 30	\$ 4,642,899	\$ (777,575)	\$ 3,865,324	\$ 6,113,432	\$ 2,248,108
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (34,727)	\$ -	\$ (34,727)	\$ (34,727)	\$ -
Increase in capital reserve	-	896,882	896,882	896,882	-
Interest deposit to capital reserve	1,580	-	1,580	12,128	10,548
Withdrawal from capital reserve	-	(688,585)	(688,585)	(688,585)	-
Withdrawal from maintenance reserve	-	(155,383)	(155,383)	(155,383)	-
Interest earned on unemployment compensation	-	-	-	756	756
Budgeted fund balance	(430,914)	(830,489)	(1,261,403)	975,401	2,236,804
Total	<u>\$ (464,061)</u>	<u>\$ (777,575)</u>	<u>\$ (1,241,636)</u>	<u>\$ 1,006,472</u>	<u>\$ 2,248,108</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 250,000	
Excess surplus - current year				250,000	
Capital reserve				2,789,534	
Emergency reserve				250,000	
Maintenance reserve				645,445	
Unemployment compensation				56,230	
Committed fund balance					
Year-end encumbrances				768,265	
Assigned fund balance					
Designated for subsequent year's expenditures				465,908	
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024				140,779	
Unassigned fund balance				<u>497,271</u>	
Fund balance per budgetary basis				6,113,432	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(101,709)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 6,011,723</u>	

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 670,997	\$ (63,784)	\$ 607,213	\$ 447,848	\$ (159,365)
State sources	6,660	22,854	29,514	26,927	(2,587)
Local sources	-	40,638	40,638	40,638	-
Total revenues	<u>\$ 677,657</u>	<u>\$ (292)</u>	<u>\$ 677,365</u>	<u>\$ 515,413</u>	<u>\$ (161,952)</u>
Expenditures					
Instruction					
Salaries	\$ 124,200	\$ (22,853)	\$ 101,347	\$ 61,347	\$ 40,000
Purchased professional & technical services	10,000	-	10,000	10,000	-
Supplies	87,610	3,177	90,787	88,200	2,587
Total	<u>221,810</u>	<u>(19,676)</u>	<u>202,134</u>	<u>159,547</u>	<u>42,587</u>
Support services					
Tuition	90,789	19,727	110,516	110,516	-
Salaries	203,806	(131,996)	71,810	71,810	-
Employee Benefits	5,610	-	5,610	5,610	-
Purchased professional & technical services	152,119	(57,119)	95,000	78,090	16,910
Rentals	-	22,854	22,854	22,854	-
Other purchased services	-	21,958	21,958	21,958	-
Supplies	3,523	867	4,390	4,390	-
Student activities	-	62,796	62,796	62,796	-
Total	<u>455,847</u>	<u>(60,913)</u>	<u>394,934</u>	<u>378,024</u>	<u>16,910</u>
Capital outlay					
Instructional equipment	-	80,297	80,297	-	80,297
Total expenditures	<u>\$ 677,657</u>	<u>\$ (292)</u>	<u>\$ 677,365</u>	<u>\$ 537,571</u>	<u>\$ 139,794</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ (22,158)	\$ (22,158)
Fund balances, July 1	44,615	-	44,615	44,615	-
Fund balances, June 30	<u>\$ 44,615</u>	<u>\$ -</u>	<u>\$ 44,615</u>	<u>\$ 22,457</u>	<u>\$ (22,158)</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 22,457	
Fund balance per budgetary basis				<u>\$ 22,457</u>	

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 14,871,635	\$ 515,413
Differences - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	5,213
Outstanding encumbrances - prior year cancelled	-	(1,426)
Outstanding encumbrances - current year	-	(725)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	104,310	-
State aid receivable current year	(101,709)	-
Total revenues (GAAP basis)	<u>\$ 14,874,236</u>	<u>\$ 518,475</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 13,865,163	\$ 537,571
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	5,213
Outstanding encumbrances - prior year cancelled	-	(1,426)
Outstanding encumbrances - current year	-	(725)
Total expenditures (GAAP basis)	<u>\$ 13,865,163</u>	<u>\$ 540,633</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)
(UNAUDITED)**

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2014	0.0156535975%	\$ 2,930,782	\$ 1,104,212	265.42%	52.08%
2015	0.0160914135%	3,612,200	1,087,100	332.28%	47.93%
2016	0.0158023702%	4,680,209	1,057,159	442.72%	40.14%
2017	0.0153128283%	3,564,582	1,100,236	323.98%	48.10%
2018	0.0156297000%	3,077,410	1,127,084	273.04%	53.60%
2019	0.0166191114%	2,994,512	1,053,331	284.29%	56.27%
2020	0.0148574491%	2,422,861	1,083,099	223.70%	58.32%
2021	0.0159051677%	1,884,206	1,057,262	178.22%	70.33%
2022	0.0144406872%	2,179,298	1,031,788	211.22%	62.91%
2023	N/A	N/A	645,353	N/A	N/A

N/A = Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	N/A	N/A	N/A	\$ 1,104,212	N/A
2015	\$ 120,445	\$ (120,445)	-	1,087,100	11.08%
2016	129,046	(129,046)	-	1,057,159	12.21%
2017	138,343	(138,343)	-	1,100,236	12.57%
2018	140,386	(140,386)	-	1,127,084	12.46%
2019	141,857	(141,857)	-	1,053,331	13.47%
2020	161,655	(161,655)	-	1,083,099	14.93%
2021	162,533	(162,533)	-	1,057,262	15.37%
2022	186,268	(186,268)	-	1,031,788	18.05%
2023	182,104	(182,104)	-	645,353	28.22%

N/A = Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	0.00%	\$ -	\$ -	\$ -	\$ 4,467,572	0.00%	33.64%
2015	0.00%	-	-	-	4,361,284	0.00%	28.71%
2016	0.00%	-	-	-	4,499,102	0.00%	22.33%
2017	0.00%	-	-	-	4,559,875	0.00%	25.41%
2018	0.00%	-	27,492,761	27,492,761	4,479,051	0.00%	26.49%
2019	0.00%	-	26,126,944	26,126,944	4,302,821	0.00%	26.95%
2020	0.00%	-	25,263,878	25,263,878	4,364,827	0.00%	24.60%
2021	0.00%	-	19,471,856	19,471,856	4,705,366	0.00%	35.52%
2022	0.00%	-	20,248,436	20,248,436	N/A	N/A	32.29%
2023	N/A	N/A	N/A	N/A	5,263,913	N/A	N/A

N/A = Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	N/A	N/A	N/A	\$ 4,467,572	N/A
2015	N/A	N/A	N/A	4,361,284	N/A
2016	N/A	N/A	N/A	4,499,102	N/A
2017	N/A	N/A	N/A	4,559,875	N/A
2018	\$ 498,665	\$ (498,665)	\$ -	4,479,051	11.13%
2019	653,268	(653,268)	-	4,302,821	15.18%
2020	855,974	(855,974)	-	4,364,827	19.61%
2021	869,396	(869,396)	-	4,705,366	18.48%
2022	1,186,943	(1,186,943)	-	N/A	N/A
2023	1,642,519	(1,642,519)	-	5,263,913	31.20%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefit Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other post employment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 27,014,392	\$ 27,014,392	\$ 5,660,111	0.00%	0.00%
2018	0.00%	-	23,501,823	23,501,823	5,606,135	0.00%	0.00%
2019	0.00%	-	20,117,670	20,117,670	5,356,152	0.00%	0.00%
2020	0.00%	-	33,578,523	33,578,523	5,447,926	0.00%	0.00%
2021	0.00%	-	28,781,677	28,781,677	5,762,628	0.00%	0.00%
2022	0.00%	-	24,814,776	24,814,776	N/A	N/A	0.00%
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	IDEA Basic	IDEA Preschool	ESSA IA	ESSA IIA	ESSA IV	CRRSA ESSER II	Total
Revenues								
Federal sources	\$ 269,781	\$ 131,516	\$ 5,777	\$ 23,877	\$ 6,658	\$ 10,000	\$ 239	\$ 447,848
State sources	26,927	-	-	-	-	-	-	26,927
Local sources	40,638	-	-	-	-	-	-	40,638
Total revenues	\$ 337,346	\$ 131,516	\$ 5,777	\$ 23,877	\$ 6,658	\$ 10,000	\$ 239	\$ 515,413
Expenditures								
Instruction								
Salaries	\$ 37,843	\$ 11,000	\$ -	\$ 12,265	\$ -	\$ -	\$ 239	\$ 61,347
Purchased professional & technical services	-	-	-	-	-	10,000	-	10,000
Supplies	82,423	-	5,777	-	-	-	-	88,200
Total	120,266	11,000	5,777	12,265	-	10,000	239	159,547
Support services								
Tuition	-	110,516	-	-	-	-	-	110,516
Salaries	60,198	-	-	11,612	-	-	-	71,810
Employee Benefits	-	5,610	-	-	-	-	-	5,610
Purchased professional & technical services	78,090	-	-	-	-	-	-	78,090
Rentals	22,854	-	-	-	-	-	-	22,854
Other purchased services	15,300	-	-	-	6,658	-	-	21,958
Supplies	-	4,390	-	-	-	-	-	4,390
Student activities	62,796	-	-	-	-	-	-	62,796
Total	239,238	120,516	-	11,612	6,658	-	-	378,024
Total expenditures	\$ 359,504	\$ 131,516	\$ 5,777	\$ 23,877	\$ 6,658	\$ 10,000	\$ 239	\$ 537,571
Excess (deficiency) of revenues over (under) expenditures	\$ (22,158)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,158)
Fund balances, July 1	44,615	-	-	-	-	-	-	44,615
Fund balances, June 30	\$ 22,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,457

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ARP ESSER	ARP NJTSS Mental Health	ARP Accelerated Learning	Total Carried Forward
Revenues							
Federal sources	\$ 97,809	\$ 17,912	\$ 43,760	\$ 15,300	\$ 45,000	\$ 50,000	\$ 269,781
State sources	26,927	-	-	-	-	-	26,927
Local sources	40,638	-	-	-	-	-	40,638
Total revenues	\$ 165,374	\$ 17,912	\$ 43,760	\$ 15,300	\$ 45,000	\$ 50,000	\$ 337,346
Expenditures							
Instruction							
Salaries	\$ -	\$ 14,281	\$ 23,562	\$ -	\$ -	\$ -	\$ 37,843
Purchased professional & technical services	-	-	-	-	-	-	-
Supplies	78,792	3,631	-	-	-	-	82,423
Total	78,792	17,912	23,562	-	-	-	120,266
Support services							
Tuition	-	-	-	-	-	-	-
Salaries	-	-	15,198	-	45,000	-	60,198
Employee Benefits	-	-	-	-	-	-	-
Purchased professional & technical services	23,090	-	5,000	-	-	50,000	78,090
Rentals	22,854	-	-	-	-	-	22,854
Other purchased services	-	-	-	15,300	-	-	15,300
Supplies	-	-	-	-	-	-	-
Student activities	62,796	-	-	-	-	-	62,796
Total	108,740	-	20,198	15,300	45,000	50,000	239,238
Total expenditures	\$ 187,532	\$ 17,912	\$ 43,760	\$ 15,300	\$ 45,000	\$ 50,000	\$ 359,504
Excess (deficiency) of revenues over (under) expenditures	\$ (22,158)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,158)
Fund balances, July 1	44,615	-	-	-	-	-	44,615
Fund balances, June 30	\$ 22,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,457

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	ARP Beyond the School Day	Small Rural School Achievement	School Climate Change	SDA Emergent and Capital Maintenance Needs	Student Activities	Total Carried Forward
Revenues						
Federal sources	\$ 23,090	\$ 74,719	\$ -	\$ -	\$ -	\$ 97,809
State sources	-	-	4,073	22,854	-	26,927
Local sources	-	-	-	-	40,638	40,638
Total revenues	\$ 23,090	\$ 74,719	\$ 4,073	\$ 22,854	\$ 40,638	\$ 165,374
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional & technical services	-	-	-	-	-	-
Supplies	-	74,719	4,073	-	-	78,792
Total	-	74,719	4,073	-	-	78,792
Support services						
Tuition	-	-	-	-	-	-
Salaries	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Purchased professional & technical services	23,090	-	-	-	-	23,090
Rentals	-	-	-	22,854	-	22,854
Other purchased services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Student activities	-	-	-	-	62,796	62,796
Total	23,090	-	-	22,854	62,796	108,740
Total expenditures	\$ 23,090	\$ 74,719	\$ 4,073	\$ 22,854	\$ 62,796	\$ 187,532
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (22,158)	\$ (22,158)
Fund balances, July 1	-	-	-	-	44,615	44,615
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ 22,457	\$ 22,457

See independent auditors' report.

STATISTICAL SECTION

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

HOLLAND TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 6,954,466	\$ 6,965,223	\$ 6,753,652	\$ 6,482,904	\$ 6,129,485	\$ 5,977,584	\$ 5,135,721	\$ 5,110,195	\$ 5,010,735	\$ 5,386,721
Restricted	592,271	884,835	1,572,378	1,970,360	2,365,470	2,605,489	3,216,851	3,790,937	4,220,026	3,763,666
Unrestricted	(2,731,750)	(2,692,410)	(2,817,896)	(2,819,825)	(2,886,803)	(2,804,816)	(3,301,936)	(3,048,940)	(2,418,871)	(459,260)
Total governmental activities	\$ 4,814,987	\$ 5,157,648	\$ 5,508,134	\$ 5,633,439	\$ 5,608,152	\$ 5,778,257	\$ 5,050,636	\$ 5,852,192	\$ 6,811,890	\$ 8,691,127
Business-type activities										
Net investment in capital assets	\$ 15,756	\$ 15,713	\$ 14,148	\$ 21,315	\$ 19,447	\$ 17,267	\$ 37,519	\$ 32,748	\$ 31,948	\$ 8,428
Unrestricted	26,238	20,685	16,988	4,362	2,092	(367)	(9,464)	(6,963)	41,967	73,249
Total business-type activities	\$ 41,994	\$ 36,398	\$ 31,136	\$ 25,677	\$ 21,539	\$ 16,900	\$ 28,055	\$ 25,785	\$ 73,915	\$ 81,677
District-wide										
Net investment in capital assets	\$ 6,970,222	\$ 6,980,936	\$ 6,767,800	\$ 6,504,219	\$ 6,148,932	\$ 5,994,851	\$ 5,173,240	\$ 5,142,943	\$ 5,042,683	\$ 5,395,149
Restricted	592,271	884,835	1,572,378	1,970,360	2,365,470	2,605,489	3,216,851	3,790,937	4,220,026	3,763,666
Unrestricted	(2,705,512)	(2,671,725)	(2,800,908)	(2,815,463)	(2,884,711)	(2,805,183)	(3,311,400)	(3,055,903)	(2,376,904)	(386,011)
Total district-wide	\$ 4,856,981	\$ 5,194,046	\$ 5,539,270	\$ 5,659,116	\$ 5,629,691	\$ 5,795,157	\$ 5,078,691	\$ 5,877,977	\$ 6,885,805	\$ 8,772,804

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,498,086	\$ 5,219,402	\$ 5,518,906	\$ 6,310,384	\$ 6,723,383	\$ 5,840,160	\$ 5,568,027	\$ 6,206,930	\$ 5,175,497	\$ 6,169,182
Special education	2,142,947	2,505,305	2,702,941	2,855,855	3,213,582	3,073,777	2,918,757	3,423,798	3,298,389	2,623,528
Other special education	302,033	317,420	342,807	397,015	474,574	-	-	-	-	192,783
Other instruction	53,588	94,857	105,220	112,465	139,595	413,200	251,659	234,425	323,372	68,635
Support services										
Tuition	161,838	124,048	31,592	30,000	42,324	-	-	-	-	246,705
Student & instruction related services	1,675,809	1,942,084	2,184,084	2,324,208	2,556,621	1,967,946	1,488,839	1,778,814	1,718,313	3,341,138
General & business administrative services	848,654	931,666	960,193	817,650	847,529	792,392	771,979	826,507	752,556	834,397
School administration	273,193	338,428	364,091	406,328	447,612	330,021	297,785	377,243	314,367	227,926
Plant operations & maintenance	1,055,323	1,036,951	1,053,315	1,128,427	1,394,877	1,060,316	1,177,581	1,183,496	1,205,009	990,617
Pupil transportation	356,495	371,651	349,426	399,918	374,288	537,018	559,496	500,478	602,783	632,191
Interest on long-term debt	15,049	15,049	15,049	15,049	15,049	-	-	-	-	15,049
Total governmental activities expenses	11,383,015	12,896,861	13,627,624	14,797,299	16,229,434	14,014,830	13,034,123	14,531,691	13,390,286	15,342,151
Business-type activities										
Food services	167,146	152,694	144,218	142,085	151,180	144,748	110,498	75,112	153,297	174,800
Total business-type activities	167,146	152,694	144,218	142,085	151,180	144,748	110,498	75,112	153,297	174,800
Total district expenses	\$ 11,550,161	\$ 13,049,555	\$ 13,771,842	\$ 14,939,384	\$ 16,380,614	\$ 14,159,578	\$ 13,144,621	\$ 14,606,803	\$ 13,543,583	\$ 15,516,951

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 62,599	\$ 110,476	\$ 88,089	\$ 69,995	\$ 78,438	\$ -	\$ -	\$ -	\$ -	\$ 407,548
Operating grants & contributions	170,303	184,301	286,843	216,606	195,238	3,169,945	2,330,232	3,633,691	2,353,321	477,837
Capital grants & contributions	-	116,779	39,410	29,315	-	-	-	-	-	-
Total governmental activities	232,902	411,556	414,342	315,916	273,676	3,169,945	2,330,232	3,633,691	2,353,321	885,385
Business-type activities										
Charges for services										
Food service	118,201	109,452	102,492	99,380	106,934	103,231	69,345	2,146	3,221	109,938
Operating grants & contributions	43,593	38,124	36,360	37,115	38,766	36,620	29,700	60,692	198,193	91,981
Total business-type activities	161,794	147,576	138,852	136,495	145,700	139,851	99,045	62,838	201,414	201,919
Total district-wide program revenues	\$ 394,696	\$ 559,132	\$ 553,194	\$ 452,411	\$ 419,376	\$ 3,309,796	\$ 2,429,277	\$ 3,696,529	\$ 2,554,735	\$ 1,087,304
Net (expense) revenues										
Governmental activities	\$ (11,150,113)	\$ (12,485,305)	\$ (13,213,282)	\$ (14,481,383)	\$ (15,955,758)	\$ (10,844,885)	\$ (10,703,891)	\$ (10,898,000)	\$ (11,036,965)	\$ (14,456,766)
Business-type activities	(5,352)	(5,118)	(5,366)	(5,590)	(5,480)	(4,897)	(11,453)	(12,274)	48,117	27,119
Total district-wide net expenses	\$ (11,155,465)	\$ (12,490,423)	\$ (13,218,648)	\$ (14,486,973)	\$ (15,961,238)	\$ (10,849,782)	\$ (10,715,344)	\$ (10,910,274)	\$ (10,988,848)	\$ (14,429,647)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 8,464,735	\$ 8,634,029	\$ 8,771,709	\$ 8,771,709	\$ 8,943,061	\$ 9,025,784	\$ 9,201,300	\$ 9,669,135	\$ 10,146,328	\$ 10,349,255
Unrestricted grants & contributions	2,719,133	4,180,397	4,781,170	5,807,579	6,925,071	1,923,566	1,798,496	1,753,961	1,545,299	5,112,689
Investment earnings	7,847	8,938	10,591	18,783	49,963	-	-	-	-	69,170
Miscellaneous income	7,220	5,668	298	1,752	12,379	207,498	218,971	177,419	316,138	-
Loss on disposal of capital assets	-	(1,066)	-	6,865	-	-	-	-	(11,100)	-
Total governmental activities	11,198,935	12,827,966	13,563,768	14,606,688	15,930,474	11,156,848	11,218,767	11,600,515	11,996,665	15,531,114

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ 129	\$ 103	\$ 104	\$ 131	\$ 260	\$ 259	\$ 121	\$ 4	\$ 14	\$ 710
Miscellaneous income	10	-	-	-	1,082	-	-	10,000	-	-
Loss on disposal of capital assets	-	(581)	-	-	-	-	-	-	-	-
Total business-type activities	<u>139</u>	<u>(478)</u>	<u>104</u>	<u>131</u>	<u>1,342</u>	<u>259</u>	<u>121</u>	<u>10,004</u>	<u>14</u>	<u>710</u>
Total district-wide	<u>\$ 11,199,074</u>	<u>\$ 12,827,488</u>	<u>\$ 13,563,872</u>	<u>\$ 14,606,819</u>	<u>\$ 15,931,816</u>	<u>\$ 11,157,107</u>	<u>\$ 11,218,888</u>	<u>\$ 11,610,519</u>	<u>\$ 11,996,679</u>	<u>\$ 15,531,824</u>
Change in net position										
Governmental activities	\$ 48,822	\$ 342,661	\$ 350,486	\$ 125,305	\$ (25,284)	\$ 311,963	\$ 514,876	\$ 702,515	\$ 959,700	\$ 1,074,348
Business-type activities	<u>(5,213)</u>	<u>(5,596)</u>	<u>(5,262)</u>	<u>(5,459)</u>	<u>(4,138)</u>	<u>(4,638)</u>	<u>(11,332)</u>	<u>(2,270)</u>	<u>48,131</u>	<u>27,829</u>
Total district	<u>\$ 43,609</u>	<u>\$ 337,065</u>	<u>\$ 345,224</u>	<u>\$ 119,846</u>	<u>\$ (29,422)</u>	<u>\$ 307,325</u>	<u>\$ 503,544</u>	<u>\$ 700,245</u>	<u>\$ 1,007,831</u>	<u>\$ 1,102,177</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 807,428	\$ 1,013,280	\$ 1,678,050	\$ 2,085,256	\$ 2,693,860	\$ 2,605,489	\$ 3,216,851	\$ 3,745,290	\$ 4,175,411	\$ 4,241,209
Committed	93,184	134,126	57,122	312,602	367,057	-	-	-	180,914	768,265
Assigned	-	-	-	-	144,846	740,848	278,919	70,151	34,727	606,687
Unassigned	242,897	193,236	177,724	274,055	134,599	183,026	205,887	564,607	611,598	395,562
Total general fund	<u>\$ 1,143,509</u>	<u>\$ 1,340,642</u>	<u>\$ 1,912,896</u>	<u>\$ 2,671,913</u>	<u>\$ 3,340,362</u>	<u>\$ 3,529,363</u>	<u>\$ 3,701,657</u>	<u>\$ 4,380,048</u>	<u>\$ 5,002,650</u>	<u>\$ 6,011,723</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ 129,195	\$ 185,824	\$ 130,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,457
Capital projects fund	-	-	-	-	-	-	-	45,646	44,615	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 129,195</u>	<u>\$ 185,824</u>	<u>\$ 130,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,646</u>	<u>\$ 44,615</u>	<u>\$ 22,457</u>
							*			

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 8,464,735	\$ 8,634,029	\$ 8,771,709	\$ 8,771,709	\$ 8,943,061	\$ 9,025,784	\$ 9,201,300	\$ 9,669,135	\$ 10,146,328	\$ 10,349,255
Tuition charges	50,050	78,595	63,497	44,155	67,831	132,006	146,536	165,762	312,769	366,910
Interest earnings	7,847	8,938	10,591	18,783	49,963	15,328	9,041	1,126	606	69,170
Miscellaneous	16,499	31,158	21,124	16,244	18,110	60,472	64,601	20,491	25,552	40,638
State sources	2,719,133	2,878,453	2,995,655	3,241,611	3,261,783	3,471,209	3,277,843	3,656,695	3,883,620	4,115,103
State sources - capital projects	-	116,779	39,410	29,315	-	-	-	-	-	-
Federal sources	162,292	167,131	273,897	211,576	193,282	226,539	197,251	263,639	288,744	451,635
Total revenues	11,420,556	11,915,083	12,175,883	12,333,393	12,534,030	12,931,338	12,896,572	13,776,848	14,657,619	15,392,711
Expenditures										
Instruction										
Regular instruction	2,985,098	2,970,766	2,891,039	3,112,048	2,833,115	2,889,562	2,865,570	2,958,666	2,852,495	3,214,958
Special education instruction	1,385,091	1,453,918	1,470,252	1,388,692	1,454,651	1,559,043	1,599,407	1,663,881	1,747,647	1,320,383
Other special instruction	194,991	166,687	166,533	177,386	185,953	196,574	129,066	93,137	169,316	75,543
Other instruction	24,862	59,721	67,482	68,572	77,764	-	-	-	-	54,940
Support services										
Tuition	30,882	4,448	1,592	-	42,324	263,748	161,343	198,540	298,114	136,189
Student & instructional related services										
Student & instructional related services	1,166,522	1,183,047	1,194,228	1,177,542	1,196,982	1,407,585	1,143,840	1,296,464	1,450,985	2,138,737
General administration	343,758	322,320	357,609	333,814	329,121	325,186	321,690	333,288	397,979	350,248
School administration services	205,354	200,886	203,726	205,289	206,906	157,479	148,780	174,334	167,392	123,394
Central services	243,308	244,365	255,511	188,551	221,804	221,060	219,663	199,926	198,756	204,862
Administrative Information Technology	32,521	33,091	-	-	-	-	-	-	-	-
Plant operations & maintenance										
Plant operations & maintenance	851,615	841,088	841,255	865,005	1,107,644	878,468	986,847	948,373	1,037,867	878,666
Pupil transportation	356,495	371,651	349,426	380,290	374,288	474,258	523,397	464,924	570,018	632,191
Employee benefits	2,222,397	2,205,172	2,228,342	2,169,946	2,325,177	4,071,999	3,906,563	4,535,526	4,945,699	2,167,546
On-behalf TPAF Pension & Social Security contributions										
On-behalf TPAF Pension & Social Security contributions	827,129	969,181	1,085,132	1,241,537	1,377,101	-	-	-	-	2,482,063
Capital outlay										
Capital outlay	389,952	52,731	29,040	11,599	48,798	297,375	718,113	284,792	199,780	70,394
Capital projects										
Capital projects	-	310,333	103,941	85,030	-	-	-	-	-	-
Special revenue funds										
Special revenue funds	170,303	184,301	286,843	216,606	199,013	-	-	-	-	540,633
Debt service										
Debt service										
Interest & other charges	15,049	15,049	15,049	15,049	15,049	-	-	-	-	15,049
Total expenditures	11,445,327	11,588,755	11,547,000	11,636,956	11,995,690	12,742,337	12,724,279	13,151,851	14,036,048	14,405,796

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ (24,771)	\$ 326,328	\$ 628,883	\$ 696,437	\$ 538,340	\$ 189,001	\$ 172,293	\$ 624,997	\$ 621,571	\$ 986,915
Other financing sources (uses)										
Proceeds from sale of assets	-	-	-	6,865	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	6,865	-	-	-	-	-	-
Net change in fund balances	<u>\$ (24,771)</u>	<u>\$ 326,328</u>	<u>\$ 628,883</u>	<u>\$ 703,302</u>	<u>\$ 538,340</u>	<u>\$ 189,001</u>	<u>\$ 172,293</u>	<u>\$ 624,997</u>	<u>\$ 621,571</u>	<u>\$ 986,915</u>
Debt service as a percentage of non-capital expenditures	0.14%	0.13%	0.13%	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%	0.11%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 7,847	\$ 8,938	\$ 10,591	\$ 18,783	\$ 49,963	\$ 62,273	\$ 40,171	\$ 4,887	\$ 2,762	\$ 69,170
Tuition	50,050	78,595	63,497	44,155	67,831	132,006	146,536	165,762	312,769	366,910
Canceled										
Prior year accounts payable	1,091	-	185	1,295	650	-	-	-	-	-
Old outstanding checks	-	574	-	-	-	-	-	-	-	-
Account balances	375	28	-	-	-	-	-	-	-	-
Building use fees	1,200	-	-	-	-	-	-	-	-	-
Prior year refunds	5,822	5,066	-	29	2,802	-	-	-	-	-
Miscellaneous other	-	-	113	428	-	13,528	32,264	16,730	606	-
Sale of assets	-	-	-	2,376	1,760	-	-	-	-	-
Chromebook use rental income	-	7,720	7,120	7,086	7,167	-	-	-	-	-
Bid specification fees	-	600	760	-	-	-	-	-	-	-
Annual totals	<u>\$ 66,385</u>	<u>\$ 101,521</u>	<u>\$ 82,266</u>	<u>\$ 74,152</u>	<u>\$ 130,173</u>	<u>\$ 207,807</u>	<u>\$ 218,971</u>	<u>\$ 187,379</u>	<u>\$ 316,137</u>	<u>\$ 436,080</u>

Source: District records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 6,480,600	\$ 6,975,500	\$ 7,439,600	\$ 8,046,300	\$ 7,665,900	\$ 7,302,800	\$ 9,831,500	\$ 9,500,900	\$ 8,791,500	\$ 9,986,700
Residential	525,191,400	524,687,600	526,884,100	527,053,100	524,938,100	524,979,900	526,398,500	525,715,700	526,881,200	529,114,500
Farm regular	65,474,000	65,808,400	64,633,400	62,836,000	64,907,400	64,915,900	63,918,100	65,028,100	66,460,300	65,687,800
Qualified farm	2,645,310	2,658,190	2,602,380	2,569,630	2,733,430	2,736,830	2,633,930	2,634,730	2,635,730	2,619,730
Commercial	16,026,211	15,119,411	13,883,911	14,136,311	14,447,811	14,458,811	14,565,111	13,813,111	13,867,311	13,660,211
Industrial	11,231,600	11,231,600	11,231,600	10,488,100	10,448,100	10,448,100	10,198,100	10,198,100	10,198,100	10,198,100
Apartment	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300
Total assessed value	627,478,421	626,910,001	627,104,291	625,558,741	625,570,041	625,271,641	627,974,541	627,319,941	629,263,441	631,696,341
Public utilities (a)	1,531,313	1,504,717	1,464,110	1,506,110	1,136,595	1,124,474	1,127,501	1,261,048	1,188,633	1,125,381
Net valuation taxable	\$ 629,009,734	\$ 628,414,718	\$ 628,568,401	\$ 627,064,851	\$ 626,706,636	\$ 626,396,115	\$ 629,102,042	\$ 628,580,989	\$ 630,452,074	\$ 632,821,722
Estimated actual county equalized value	\$ 670,270,971	\$ 660,724,128	\$ 659,360,538	\$ 659,551,604	\$ 668,986,588	\$ 677,890,301	\$ 691,678,093	\$ 690,957,089	\$ 733,834,917	\$ 807,582,596
Percentage of net valuation to estimated actual equalized value	93.84%	95.11%	95.33%	95.07%	93.68%	92.40%	90.95%	90.97%	85.91%	78.36%
Total direct school tax rate (b)	\$ 0.905	\$ 0.920	\$ 0.932	\$ 0.950	\$ 0.966	\$ 0.981	\$ 0.998	\$ 1.010	\$ 1.024	\$ 1.668

Source: Municipal tax assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate			Municipality	County		
2014	\$ 1.370	\$ -	\$ 1.370	\$ 0.610	\$ 0.100	\$ 0.390	\$ -	\$ 2.470	
2015	1.400	-	1.400	0.580	0.190	0.390	-	2.560	
2016	1.400	-	1.400	0.610	0.190	0.390	-	2.590	
2017	1.420	-	1.420	0.650	0.190	0.390	-	2.650	
2018	1.440	-	1.440	0.601	0.190	0.403	-	2.634	
2019	1.471	-	1.471	0.668	0.190	0.409	-	2.738	
2020	1.537	-	1.537	0.723	0.190	0.415	-	2.865	
2021	1.614	-	1.614	0.738	0.190	0.415	-	2.957	
2022	1.642	-	1.642	0.786	0.189	0.440	-	3.057	
2023	1.668	-	1.668	0.795	0.189	0.481	-	3.133	

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

**HOLLAND TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago**

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Gilbert Power, LLC	\$ 6,160,700	1	0.97%	\$ -		0.00%
Individual Property Owner	3,693,900	2	0.58%	-		0.00%
Fiberville Estates LLC	3,621,500	3	0.57%	1,368,700	7	0.22%
Georgia-Pacific Corp.	2,789,400	4	0.44%	2,789,400	4	0.44%
Oak Hill Golf Club, Inc.	2,049,200	5	0.32%	4,750,700	2	0.76%
Columbia Gas	1,897,400	6	0.30%	1,897,400	5	0.30%
Spring Mills LLC	1,778,600	7	0.28%	-		0.00%
Holland 2MG LLC	1,540,200	8	0.24%	-		0.00%
Individual Property Owner	1,516,450	9	0.24%	-		0.00%
Individual Property Owner	1,255,800	10	0.20%	-		0.00%
Genon Energy Services	-		0.00%	6,515,900	1	1.04%
Individual Property Owner	-		0.00%	4,388,600	3	0.70%
Individual Property Owner	-		0.00%	1,463,000	6	0.23%
Holland Retail LLC	-		0.00%	1,228,700	9	0.20%
KJA Holdings Inc.	-		0.00%	1,349,500	8	0.21%
Verizon-NJ	-		0.00%	1,205,549	10	0.19%
	<u>\$ 26,303,150</u>		<u>4.14%</u>	<u>\$ 26,957,449</u>		<u>3.89%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 8,464,735	\$ 8,464,735	100.00%
2015	8,634,029	8,634,029	100.00%
2016	8,771,709	8,771,709	100.00%
2017	8,771,709	8,771,709	100.00%
2018	8,943,061	8,943,061	100.00%
2019	9,025,784	9,025,784	100.00%
2020	9,201,300	9,201,300	100.00%
2021	9,669,135	9,669,135	100.00%
2022	10,146,328	10,146,328	100.00%
2023	10,349,255	10,349,255	100.00%

Source: District records including the Certificate and Report of School Taxes (A4F Form)

- (a) School taxes are collected by the Municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases					
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2015	-	-	-	-	-	-	0.00%	-
2016	-	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	-	0.00%	-
2018	-	-	-	-	-	-	0.00%	-
2019	-	-	-	-	-	-	0.00%	-
2020	-	-	-	-	-	-	0.00%	-
2021	-	-	-	-	-	-	0.00%	-
2022	-	-	-	-	-	-	0.00%	-
2023	-	-	-	-	-	-	N/A	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-14 for personal income and population data.
 These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ -	\$ -	\$ -	0.00%	\$ -
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ -	0.00%	\$ -
Regional High School	-	28.81%	742,096,064
County general obligation debt	74,164,045	3.18%	<u>2,362,123</u>
Subtotal, overlapping debt			744,458,187
School District direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 744,458,187</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another Governmental Unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2023

		Equalized Valuation Basis
	2022	\$ 803,041,655
	2021	731,568,444
	2020	691,678,093
		\$ 2,226,288,192
Average equalized valuation of taxable property		\$ 742,096,064
Debt limit (3.0% of average equalization value) (a)		\$ 22,262,882
Total net debt applicable to limit		-
Legal debt margin		\$ 22,262,882

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 20,064,791	\$ 20,334,060	\$ 20,573,655	\$ 21,113,968	\$ 22,262,882
Total net debt applicable	-	-	-	-	-
Legal debt margin	\$ 20,064,791	\$ 20,334,060	\$ 20,573,655	\$ 21,113,968	\$ 22,262,882
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 21,138,304	\$ 20,264,280	\$ 19,915,786	\$ 19,786,380	\$ 19,865,629
Total net debt applicable	-	-	-	-	-
Legal debt margin	\$ 21,138,304	\$ 20,264,280	\$ 19,915,786	\$ 19,786,380	\$ 19,865,629
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

**HOLLAND TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	5,225	\$ 392,998,375	\$ 75,215	5.3%
2015	5,204	410,397,848	78,862	4.6%
2016	5,182	419,643,542	80,981	4.2%
2017	5,146	431,044,398	83,763	3.5%
2018	5,139	436,362,768	84,912	3.4%
2019	5,119	450,134,146	87,934	2.7%
2020	5,108	469,660,168	91,946	7.2%
2021	5,077	482,761,776	95,088	4.7%
2022	5,193	520,795,584	100,288	3.1%
2023	5,218	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2023

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	43.9	43.9	46.7	45.2	38.8	38.6	41.0	*	43.0	38.0
Special education	29.4	31.1	26.2	25.2	31.9	35.2	29.3	*	24.6	18.5
Support services										
Student and instruction related services	15.3	15.2	16.4	16.5	14.1	12.7	8.9	*	8.7	16.0
General administration	2.0	2.0	2.0	2.0	2.0	2.1	2.1	*	2.1	2.1
School administration services	3.0	3.0	3.0	3.0	3.0	2.3	2.3	*	2.0	2.0
Central services	3.4	3.4	3.4	3.4	3.0	2.5	2.5	*	2.5	2.5
Plant operations and maintenance	5.8	5.8	5.8	5.8	6.7	5.8	5.8	*	5.5	5.5
Total	<u>102.8</u>	<u>104.4</u>	<u>103.5</u>	<u>101.1</u>	<u>99.5</u>	<u>99.2</u>	<u>91.9</u>	<u>-</u>	<u>88.4</u>	<u>84.6</u>

* Information not available

Source: District Personnel Records

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	603	\$ 11,040,326	\$ 18,309	3.43%	64.0	1 to 9.42	602.0	577.0	-2.62%	95.85%
2015	592	11,210,642	18,937	3.43%	66.0	1 to 8.97	585.0	559.0	-2.82%	95.56%
2016	559	11,398,970	20,392	7.68%	66.0	1 to 8.47	557.0	534.0	-4.79%	95.87%
2017	551	11,525,278	20,917	2.57%	68.0	1 to 8.10	548.0	525.0	-1.62%	95.80%
2018	568	11,931,843	21,007	0.43%	68.0	1 to 8.35	564.0	538.0	2.92%	95.39%
2019	531	12,444,962	23,437	11.57%	74.0	1 to 7.18	534.0	508.0	-5.32%	95.13%
2020	501	12,006,166	23,964	2.25%	70.0	1 to 7.16	529.0	510.0	-0.94%	96.41%
2021	*	12,867,059	*	*	*	*	*	*	*	*
2022	507	13,836,268	27,290	13.88%	68.0	1 to 7.46	511.5	497.0	-3.31%	97.17%
2023	517	14,320,353	27,699	1.50%	69.0	1 to 7.49	516.8	482.5	1.04%	93.36%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

* Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary (1948)										
Square feet	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840
Capacity (students)	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0
Average daily enrollment	602.0	585.0	557.0	548.0	564.0	534.0	529.0	*	511.5	516.8
 Number of schools at June 30, 2023:										
Elementary	1									
Middle School	-									
High School	-									
Other	-									

Source: District Facilities Office
 * Information not available

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Amount</u>
2014	\$ 142,657
2015	102,835
2016	175,332
2017	189,414
2018	374,948
2019	167,906
2020	294,376
2021	179,073
2022	263,976
2023	125,989
Total school facilities	<u>\$ 2,016,506</u>

* School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - New Jersey School Insurance Group (NJSIG)		
Property - Building Blanket and Contents (Policy Limit)	\$ 500,000,000	\$ 2,500
Newly acquired location	25,000,000	-
Builders risk	25,000,000	-
Unnamed locations	25,000,000	-
Demolition costs and increased cost of construction	25,000,000	-
Eathquake	25,000,000	-
Named windstorm	85,000,000	-
Flood	25,000,000	-
Terrorism	100,000,000	-
Off-premise services	25,000,000	-
Trees, plants, shrubs	1,000,000	-
Property in transit	25,000,000	-
Loss of rents	100,000,000	-
Extra expense	50,000,000	-
Business income	100,000,000	-
Arson reward	25,000	-
Athletic facilities	5,000,000	-
Pollution and contamination clean up	250,000	-
Boiler and machinery limit	100,000,000	-
Hazardous substances	1,000,000	-
Comprehensive General Liability (Policy Limit)	10,000,000	-
Comprehensive Automobile Liability (Policy Limit)	1,000,000	-
Sexual misconduct	10,000,000	-
Fire legal liability	2,500,000	-
Communicable disease	500,000	-
School Board Legal Liability - New Jersey School Insurance Group (NJSIG)		
Directors and Officers Policy	5,000,000	5,000
Workmen's Compensation - New Jersey School Insurance Group (NJSIG)		
Per Accident, Disease and Disease Limit	5,000,000	-
Repatriation coverage	100,000	-

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Crime - New Jersey School Insurance Group (NJSIG)		
Employee dishonesty	\$ 500,000	\$ 1,000
Money and securities	50,000	-
Faithful performance	400,000	-
Depositors forgery	50,000	-
Computer fraud	50,000	-
Cyber Liability - New Jersey School Insurance Group (NJSIG)		
Aggregate limit	2,000,000	-
Privacy notification	500,000	-
Penalties for regulatory defense	250,000	-
First party liability	750,000	-
Ecrime	75,000	-
Retention	10,000	-
Critical incident management	250,000	-
Excess liability	5,000,000	-
Pollution Liability - New Jersey School Insurance Group (NJSIG)		
Pollution liability	1,000,000	-
Catastrophe management	250,000	-
Non-owed disposal site	1,000,000	-
Sewage backup	1,000,000	-
Member retention	50,000	-
Student Accident - New Jersey School Insurance Group (NJSIG)		
US Fire	25,000	-
Catastrophe coverage	7,500,000	25,000
Public Employees' Faithful Performance - New Jersey School Insurance Group (NJSIG)		
Treasurer of School Monies Bond	200,000	1,000
School Board Secretary Bond	200,000	1,000

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Holland Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Holland Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying Schedule of Findings and Questioned Costs as finding number 2023-001.

Holland Township School District’s Response to Findings

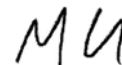
Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subject to the auditing procedures applied in 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

December 5, 2023
Flemington, New Jersey



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

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Holland Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The District's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

December 5, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2023			Memo			
					From	To				Deferred Rev. (Accts. Rec)	Due to Grantor	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education																
General Fund																
Transportation Aid	23-495-034-5120-014	\$ 36,300	07/01/22	06/30/23	\$ -	\$ -	\$ 33,264	\$ 36,300	\$ -	\$ -	\$ -	\$ -	\$ 3,036	\$ 36,300		
Special Education Categorical Aid	23-495-034-5120-089	373,356	07/01/22	06/30/23	-	-	342,132	373,356	-	-	-	-	31,224	373,356		
Equalization Aid	23-495-034-5120-078	686,945	07/01/22	06/30/23	-	-	629,496	686,945	-	-	-	-	57,449	686,945		
School Choice Aid	23-495-034-5120-068	110,133	07/01/22	06/30/23	-	-	100,924	110,133	-	-	-	-	9,209	110,133		
Security Aid	23-495-034-5120-084	9,453	07/01/22	06/30/23	-	-	8,662	9,453	-	-	-	-	791	9,453		
Extraordinary Special Education Costs Aid	22-495-034-5120-044	259,597	07/01/21	06/30/22	(259,597)	-	259,597	-	-	-	-	-	-	259,597		
Extraordinary Special Education Costs Aid	23-495-034-5120-044	246,335	07/01/22	06/30/23	-	-	-	246,335	-	(246,335)	-	-	-	246,335		
Stabilization Aid	23-495-034-5120-128	140,779	07/01/22	06/30/23	-	-	140,779	140,779	-	-	-	-	-	140,779		
Non-Public Transportation Aid	22-495-034-5120-014	870	07/01/21	06/30/22	(870)	-	870	-	-	-	-	-	-	870		
Non-Public Transportation Aid	23-495-034-5120-014	936	07/01/22	06/30/23	-	-	-	936	-	(936)	-	-	-	936		
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	315,649	07/01/21	06/30/22	(16,214)	-	16,214	-	-	-	-	-	-	315,649		
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	379,241	07/01/22	06/30/23	-	-	360,508	379,241	-	(18,733)	-	-	-	379,241		
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	23-495-034-5094-002	1,642,067	07/01/22	06/30/23	-	-	1,642,067	1,642,067	-	-	-	-	-	1,642,067		
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	22,782	07/01/22	06/30/23	-	-	22,782	22,782	-	-	-	-	-	22,782		
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-002	621	07/01/22	06/30/23	-	-	621	621	-	-	-	-	-	621		
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001	437,352	07/01/22	06/30/23	-	-	437,352	437,352	-	-	-	-	-	437,352		
Total General Fund					(276,681)	-	3,995,268	4,086,300	-	(266,004)	-	-	101,709	4,662,416		
State Department of Education																
Special Revenue Fund																
School Climate Change Pilot	23-WB01-G02	6,660	07/01/22	06/30/23	-	-	-	4,073	-	(4,073)	-	-	-	4,073		
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	22,854	07/01/22	06/30/23	-	-	-	22,854	-	(22,854)	-	-	-	22,854		
Total Special Revenue Fund					-	-	-	26,927	-	(26,927)	-	-	-	26,927		
State Department of Agriculture																
Enterprise Fund																
State School Lunch Program	22-100-010-3350-023	4,472	07/01/21	06/30/22	(122)	-	122	-	-	-	-	-	-	4,472		
State School Lunch Program	23-100-010-3350-023	1,812	07/01/22	06/30/23	-	-	1,760	1,812	-	(52)	-	-	-	1,812		
Total Enterprise Fund					(122)	-	1,882	1,812	-	(52)	-	-	-	6,284		
Total State Financial Assistance																
					\$ (276,803)	\$ -	\$ 3,997,150	4,115,039	\$ -	\$ (292,983)	\$ -	\$ -	\$ 101,709	\$ 4,695,627		
Less: On-Behalf TPAF Pension System Contributions																
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	23-495-034-5094-002							1,642,067								
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							22,782								
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							437,352								
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-002							621								
Total for State Financial Assistance - Major Program Determination								\$ 2,012,217								

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Holland Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,601 for the general fund and \$3,062 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 3 - Relationship of financial statement (continued)

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 4,088,901	\$ 4,088,901
Special revenue fund	451,635	26,202	477,837
Food service fund	90,169	1,812	91,981
Total awards and financial assistance	\$ 541,804	\$ 4,116,915	\$ 4,658,719

Note 4 - Relationship to federal and state financial reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2023.

Note 6 - Indirect Costs

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

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Not Applicable

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>23-495-034-5120-084</i>	<i>Security Aid</i>
<i>23-495-034-5120-068</i>	<i>School Choice Aid</i>
<i>23-495-034-5120-128</i>	<i>Stabilization Aid</i>

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001

Criteria

Approval signatures and receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain the proper approval signatures and receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to approval and receiving signatures.

Cause

Unknown.

Effect

Approval signatures and receiving signatures certifying goods or services were received by the District were at times not evident on payment forms.

Recommendation

Approval signatures and receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

State Awards

Finding 2023-001

Criteria

Approval signatures and receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain the proper approval signatures and receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to approval and receiving signatures.

Cause

Unknown.

Effect

Approval signatures and receiving signatures certifying goods or services were received by the District were at times not evident on payment forms.

Recommendation

Approval signatures and receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

**HOLLAND TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2023**

Status of Prior Year Findings

There were no prior year findings or questioned costs.