

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT
YEAR 2013

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TOWNSHIP OF HOLLAND
PART I
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2013 AND 2012

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

May 30, 2014

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

Report on the Financial Statements

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Township of Holland (the Municipality), as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Auditor's Responsibility (Cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on US Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Municipality on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on US Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on US Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Municipality as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

William M. Colantano, Jr.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2014 on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Municipality's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

FINANCIAL STATEMENTS-REGULATORY BASIS

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCESHEET-REGULATORY BASIS
CURRENT FUND

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 8,986,165	\$ 10,181,667
Collector	A-6	99,800	164,191
Change Funds	A-8	350	550
		<u>9,086,315</u>	<u>10,346,408</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	228,425	176,231
Tax Title Liens Receivable	A-10	91,392	373,879
Property Acquired for Taxes-Assessed Valuation	A-11	424,300	
Revenue Accounts Receivable	A-12	864	859
Due from Escrow Trust Funds	A-13		24,921
Due from Developers Fee Account	A-15		20
Due from Animal Control Fund	A-16		10,024
Due from Grant Fund	A-33		12,083
		<u>744,981</u>	<u>598,017</u>
Deferred Charges:			
Overexpenditure of Budget Appropriation	A-3		239
Special Emergency Authorizations	A-40	139,000	
		<u>139,000</u>	<u>239</u>
		<u>9,970,296</u>	<u>10,944,664</u>
Federal & State Grant Fund:			
Cash	A-4	56,459	
Due from Other Trust Funds	A-18		84,344
Grant Funds Receivable	A-20	299,083	188,633
		<u>355,542</u>	<u>272,977</u>
TOTAL ASSETS		<u><u>\$ 10,325,838</u></u>	<u><u>\$ 11,217,641</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
CURRENT FUND
(Continued)

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-21	\$ 412,199	\$ 774,139
Encumbrances Payable	A-22	149,863	71,041
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-23	2,385	2,098
Due to Payroll Account	A-14	24,242	10,479
Due to Other Trust Funds	A-30	49,300	
Prepaid Taxes	A-24	77,067	110,337
Tax Overpayments	A-25	2,543	18
Regional High School Taxes Payable	A-26	1,522,075	1,577,724
Local School Tax Payable	A-27	4,232,367	4,149,380
County Tax Payable	A-28	2,133	3,224
Due to Sewer Operating Fund	A-17		4,890
Reserve for Garden State Preservation	A-31		21,453
Due to County and State-License Fees	A-32	100	
Reserve for Tax Sale Premiums	A-36		300
Reserve for Veterans Day Celebration	A-37	200	200
Reserve for Revaluation	A-38	69,000	
		<u>6,543,474</u>	<u>6,725,283</u>
Reserve for Receivables	A	744,981	598,017
Fund Balance	A-1	<u>2,681,841</u>	<u>3,621,364</u>
		<u>9,970,296</u>	<u>10,944,664</u>
Federal & State Grant Fund:			
Due to Current Fund	A-19		12,083
Appropriated Reserves for State Grants	A-34	338,325	239,428
Unappropriated Reserve for State Grants	A-35	16,259	17,435
Encumbrances Payable	A-39	958	4,031
		<u>355,542</u>	<u>272,977</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 10,325,838</u></u>	<u><u>\$ 11,217,641</u></u>

TOWNSHIP OF HOLLAND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,807,655	\$ 1,884,833
Miscellaneous Revenue Anticipated	A-2	3,425,192	3,214,657
Receipts from Delinquent Taxes	A-2	177,833	224,006
Receipts from Current Taxes	A-2	14,461,715	14,704,177
Nonbudget Revenue	A-2	189,743	185,099
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-21	621,732	455,510
Tax Overpayments Canceled	A-25	111	136
Interfunds Returned-Net	A-2	47,049	
Total Income		<u>20,731,030</u>	<u>20,668,418</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,804,150	1,797,633
Other Expenses	A-3	2,399,469	2,239,165
Capital Improvements	A-3	525,000	540,000
Deferred Charges & Statutory Expenditures	A-3	356,525	329,823
County Taxes	A-28	2,501,532	2,632,666
County Share of Added Taxes	A-28	2,133	3,224
Regional High School Taxes	A-26	3,868,105	3,979,402
Local District School Taxes	A-27	8,464,735	8,298,760
Interfunds Advanced			13,356
Prior Year Senior Citizens Deduction Denied	A-23	1,000	1,250
Prior Year Tax Appeal			25,415
Grants Receivable Adjustment	A-33	79,249	
Total Expenditures		<u>20,001,898</u>	<u>19,860,694</u>
Excess in Revenue		729,132	807,724
Adjustments to Income Before Fund Balance:			
Expenditures Included Above which are by Statute			
Deferred Charges to Budget of Succeeding Years:			
Overexpenditure of Budget Appropriation			239
Special Emergency Authorization	A-40	139,000	
Regulatory Excess to Fund Balance		868,132	807,963
FUND BALANCE			
Balance January 1,	A	<u>3,621,364</u>	<u>4,698,234</u>
		4,489,496	5,506,197
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,807,655</u>	<u>1,884,833</u>
Balance December 31,	A	<u>\$ 2,681,841</u>	<u>\$ 3,621,364</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40.4-87		
Fund Balance Anticipated	A-1	\$ 1,807,655	\$ -	\$ 1,807,655	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-12	5,000		5,376	376
Fines and Costs:					
Municipal Court	A-12	12,000		16,791	4,791
Interest & Cost on Taxes	A-6	40,000		44,332	4,332
Interest on Investments and Deposits	A-2	30,000		14,170	(15,830)
Swimming Pool Fees	A-12	114,300		110,263	(4,037)
Rieggle Ridge Community Center Fees	A-12	220,000		314,292	94,292
Snack Bar Fees	A-12	25,000		25,134	134
Recreation Committee Activities	A-12	7,500		3,551	(3,949)
Energy Receipts Tax	A-12	2,689,482		2,689,482	
Garden State Trust Fund		21,453			(21,453)
Reserve for Garden State Trust Fund	A-31	21,453		21,453	
Recycling Tonnage Grant	A-20	10,777		10,777	
Clean Communities Program	A-20	13,571		13,571	
Geon Energy Grant	A-20	500		500	
Emergency Management Grant	A-20	5,000		5,000	
Body Armor Grant	A-20		1,025	1,025	
FEMA Shelter Grant	A-20		29,981	29,981	
FEMA HMGP	A-20		112,000	112,000	
NJ Forestry Grant	A-20		3,000	3,000	
NJ Historical Grant	A-20		4,494	4,494	
Receipts from Delinquent Taxes	A-1	3,216,036	150,500	3,425,192	58,656
Property Tax for Support of Municipal Budget Appropriations:	A-1;A-2	175,000		177,833	2,833
Local Tax for Municipal Purposes	A-2			28,257	28,257
Budget Totals		5,198,691	150,500	5,438,937	\$ 89,746
Nonbudget Revenues	A-1;A-2			189,743	
		\$ 5,198,691	\$ 150,500	\$ 5,628,680	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>			
Tax Collections	A-1;A-9			\$ 14,461,715
Allocated to:				
Local District School Taxes	A-9	\$	8,464,735	
Regional High School Taxes	A-9		3,868,105	
County Taxes	A-9		<u>2,503,665</u>	
				<u>14,836,505</u>
Balance for Support of Municipal Budget Appropriations				(374,790)
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3			<u>403,047</u>
Realized for Support of Municipal Budget	A-2			<u>\$ 28,257</u>
<u>Delinquent Tax Collections</u>				
Taxes Receivable	A-9			\$ 177,231
Tax Title Liens Receivable	A-10			<u>602</u>
Total	A-2			<u>\$ 177,833</u>
<u>Interest on Investments</u>				
Treasurer	A-4			\$ 9,818
Tax Collector	A-6			425
General Capital Fund	A-29			<u>3,927</u>
Total	A-2			<u>\$ 14,170</u>
<u>Interfund Analysis</u>				
	<u>Ref.</u>	<u>Balance</u>	<u>Balance</u>	<u>Increase</u>
		<u>12/31/13</u>	<u>12/31/12</u>	<u>(Decrease)</u>
Due from Escrow Trust Funds	A-13		\$ 24,921	\$ (24,921)
Due from Developers Fee Account	A-15		20	(20)
Due from Animal Control Fund	A-16		10,025	(10,025)
Due from Grant Fund	A-33		<u>12,083</u>	<u>(12,083)</u>
	A-1	<u>\$ -</u>	<u>\$ 47,049</u>	<u>\$ (47,049)</u>

TOWNSHIP OF HOLLAND
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Analysis of Nonbudget Revenue</u>	<u>Ref.</u>		
Treasurer:			
Cell Tower Rent		\$ 11,040	
Cable TV Franchise Fee		15,780	
Clerk Other Licenses & Fees		475	
Perc Test Fees		2,200	
Recycling Receipts		5,845	
Planning Board & Board of Adjustment		650	
Zoning Receipts		9,625	
Road Openings & Driveway Permits		2,500	
Food Licenses		1,150	
Property Lists		90	
Police Fees		203	
Veterans' & Seniors Citizens'-Administrative Fees		1,458	
Miscellaneous Other		2,252	
Refunds		13,753	
OPRA Fees		248	
Burial Permits		4,820	
Sale of History Books		472	
FEMA Storm Damage Reimbursement		93,380	
Old Outstanding Checks Canceled		20,586	
Disbursement Adjustments		1,416	
Sale of Police Car		<u>1,351</u>	
	A-4		\$ 189,294
Tax Collector:			
Miscellaneous Fees	A-6		<u>449</u>
	A-2		<u>\$ 189,743</u>

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS":						
General Government:						
Mayor and Council:						
Salaries and Wages	\$ 20,000	\$ 20,000	\$ 20,000			
Other Expenses	40,000	40,000	27,374	\$ 12,626		
Municipal Clerk:						
Salaries and Wages	105,000	105,000	101,179	3,821		
Miscellaneous Other Expenses	29,800	29,800	12,482	17,318		
Financial Administration:						
Salaries and Wages	72,000	72,000	61,502	10,498		
Other Expenses	22,300	22,300	18,400	3,900		
Audit Services	17,000	17,000	17,000			
Assessment of Taxes:						
Salaries and Wages	36,750	36,750	36,484	266		
Other Expenses	5,000	5,000	2,140	2,860		
Revaluation of Real Property		139,000	139,000			
Revenue Administration:						
Salaries and Wages	25,750	25,750	25,260	490		
Other Expenses	6,000	6,000	5,930	70		
Legal Services and Costs:						
Other Expenses	140,000	140,000	76,364	63,636		
Engineering Services & Costs:						
Other Expenses	75,000	20,000	10,821	9,179		
Municipal Court:						
Salaries and Wages	14,000	14,000	12,463	1,537		
Other Expenses	5,900	5,900	5,900			
Municipal Prosecutor:						
Salaries and Wages	7,125	7,125	7,105	20		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
General Government: (Cont'd)						
Public Buildings and Grounds:						
Salaries and Wages	\$ 60,000	\$ 60,000	\$ 59,240	\$ 760		
Other Expenses	83,700	113,700	106,714	6,986		
Land Use Administration:						
Planning Board:						
Salaries and Wages	10,000	12,500	11,852	648		
Other Expenses	45,500	38,000	8,056	29,944		
Zoning Board of Adjustment:						
Salaries and Wages	26,500	26,500	25,892	608		
Other Expenses	10,000	10,000	3,440	6,560		
Public Safety:						
Fire:						
Other Expenses	22,000	22,000	12,960	9,040		
Aid to Volunteer Fire Company	70,000	70,000	70,000			
Police:						
Salaries and Wages	599,000	599,000	595,717	3,283		
Other Expenses	60,000	60,000	54,919	5,081		
First Aid Organization-Contribution	70,000	70,000	69,532	468		
Office of Emergency Management:						
Salaries and Wages	6,625	6,625	6,580	45		
Other Expenses	10,000	10,000	9,247	753		
Public Defender:						
Salaries and Wages	1,275	1,275	1,253	22		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
Public Works:						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 420,000	\$ 420,000	\$ 417,660	\$ 2,340		
Other Expenses	220,300	220,300	220,061	239		
Snow Removal:						
Other Expenses	50,000	50,000	44,175	5,825		
Environmental Commission-Recycling:						
Salaries and Wages	32,525	32,525	21,766	10,759		
Other Expenses	22,500	22,500	20,639	1,861		
Health and Human Services:						
Board of Health:						
Salaries and Wages	1,025	1,025	1,016	9		
Other Expenses	2,900	2,900	900	2,000		
Environmental Health Services:						
Other Expenses	3,000	3,000	2,800	200		
Animal Control:						
Other Expenses	10,320	10,320	10,320			
Parks and Recreation:						
Recreation Committee:						
Salaries and Wages	1,025	1,025	337	688		
Other Expenses	10,000	10,000	6,511	3,489		
Riegel Ridge Community Center:						
Salaries and Wages	268,000	273,000	255,013	17,987		
Other Expenses	135,000	155,000	122,234	32,766		
Swimming Pool:						
Salaries and Wages	73,000	73,000	72,582	418		
Other Expenses	46,000	46,000	41,995	4,005		
Snack Bar:						
Salaries and Wages	15,000	15,000	13,342	1,658		
Other Expenses	25,000	25,000	24,570	430		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
Parks and Recreation:(Cont'd)						
Historical Preservation Commission:						
Salaries and Wages	\$ 1,025	\$ 1,025	\$ 508	\$ 517		
Other Expenses	7,000	7,000	5,142	1,858		
Agriculture Advisory Committee:						
Salaries and Wages	1,025	1,025		1,025		
Other Expenses	11,400	11,400	2,101	9,299		
Insurance:						
Worker's Compensation Insurance	58,000	58,000	57,464	536		
Group Insurance Plan for Employees	330,000	330,000	314,730	15,270		
General Liability Insurance	115,000	120,000	117,770	2,230		
Utilities:						
Electricity	90,000	90,000	58,953	31,047		
Street Lighting	51,000	51,000	51,000			
Telephone	27,500	27,500	23,864	3,636		
Fuel Oil	20,000	20,000	16,803	3,197		
Gasoline and Diesel	65,000	65,000	44,817	20,183		
Natural Gas	13,500	13,500	11,770	1,730		
Dumpster	30,000	30,000	1,020	28,980		
Total Operations Within "CAPS"	3,852,270	3,991,270	3,596,669	394,601	\$ -	\$ -
Contingent						
Total Operations Includ Cont Within "CAPS"	3,852,270	3,991,270	3,596,669	394,601	-	-
Detail:						
Salaries and Wages	1,796,650	1,804,150	1,746,751	57,399	-	-
Other Expenses (Including Contingent)	2,055,620	2,187,120	1,849,918	337,202	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Deferred Charges & Statutory Expenditures:						
Deferred Charges:						
Overexpenditure of Appropriations	\$ 239	\$ 239	\$ 239			
Deficit in Animal Fund	536	536	536			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	85,890	85,890	85,886	\$ 4		
Social Security System (OASI)	142,250	142,250	132,389	9,861		
Police & Firemen's Retirement System	109,610	109,610	109,604	6		
DCRP Contribution	7,000	7,000	3,304	3,696		
Unemployment Insurance	11,000	11,000	8,969	2,031		
Total Deferred Charges & Statutory Expend- Municipal Within "CAPS"	356,525	356,525	340,927	15,598	\$ -	\$ -
Total General Appropriations for Municipal Purposes Within "CAPS"	4,208,795	4,347,795	3,937,596	410,199	-	-
Operations Excluded from "CAPS":						
Other Operations Excluded from "CAPS":						
COAH	2,000	2,000		2,000		
Aid to Library NJSA 40:54-35:						
Other Expenses	30,000	30,000	30,000			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Excluded from "CAPS": (Cont'd)						
Other Operations Excluded from "CAPS": (Cont'd)						
Public & Private Programs Offset by Revenues:						
Recycling Tonnage Grant:						
Other Expenses	\$ 10,777	\$ 10,777	\$ 10,777			
Clean Communities Program:						
Other Expenses	13,572	13,572	13,572			
Geon Energy Grant:						
Other Expenses	500	500	500			
Emergency Management Grant:						
Other Expenses	5,000	5,000	5,000			
Body Armor Grant:						
Other Expenses		1,025	1,025			
FEMA Shelter Grant:						
Other Expenses		29,981	29,981			
FEMA HMGP:						
Other Expenses		112,000	112,000			
NJ Forestry Grant:						
Other Expenses		3,000	3,000			
NJ Historical Grant:						
Other Expenses		4,494	4,494			
Total Operations Excluded from "CAPS"	<u>61,849</u>	<u>212,349</u>	<u>210,349</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>
Detail:						
Other Expenses	<u>61,849</u>	<u>212,349</u>	<u>210,349</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	360,000	360,000	360,000			
Reserve for Purchase of an Ambulance	15,000	15,000	15,000			
Reserve for Purchase of Public Works Equipment	25,000	25,000	25,000			
Reserve for Purchase of Police Equipment	50,000	50,000	50,000			
Reserve for Community Center Upgrades	25,000	25,000	25,000			
Reserve for Purchase of a Fire Truck	50,000	50,000	50,000			
Total Capital Improve Excluded from "CAPS"	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 586,849	\$ 737,349	\$ 735,349	\$ 2,000	\$ -	\$ -
Subtotal General Appropriations	4,795,644	5,085,144	4,672,945	412,199	-	-
Reserve for Uncollected Taxes	403,047	403,047	403,047	-	-	0
Total General Appropriations	\$ 5,198,691	\$ 5,488,191	\$ 5,075,992	\$ 412,199	\$ -	\$ -
<u>Ref.</u>	A-2	A-3	A-1;A-3	A;A-1		A

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Ref.</u>	
<u>Paid or Charged</u>		
Cash Disbursed	A-4	\$ 1,639,911
Due from Payroll Account	A-14	2,063,763
Encumbrances Payable	A-22	113,827
Reserve for Uncollected Taxes	A-2	403,047
Due to General Capital Fund	A-29	525,000
Due to Animal Control Fund	A-16	10,856
Overexpenditure of Appropriations	A	239
Reserve for Revaluation	A-38	139,000
Appropriated Reserve for State Grants	A-34	<u>180,349</u>
	A-3	<u>\$ 5,075,992</u>
 <u>Appropriations</u>		
Budget	A-2	\$ 5,198,691
Added by NJSA 40A:4-87	A-2	150,500
Special Emergency Authorization NJSA 40A:4-53	A-40	<u>139,000</u>
	A-3	<u>\$ 5,488,191</u>

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
TRUST FUND

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 3,387	\$ 8,891
Due from Dog License Official	B-4		440
Due from Payroll	B-5		789
Deficit in Operations	B-7		536
		<u>3,387</u>	<u>10,656</u>
Other Trust Funds:			
Cash-Treasurer	B-1	349,780	325,245
State Grants Receivable	B-9		354,366
Loans Receivable	B-10	293,691	293,691
Interfunds Receivable	B-20	49,300	
		<u>692,771</u>	<u>973,302</u>
TOTAL ASSETS		<u>\$ 696,158</u>	<u>\$ 983,958</u>
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-7	\$ 3,371	
Due to State of New Jersey	B-6	16	\$ 632
Due to Current Fund	B-8		10,024
		<u>3,387</u>	<u>10,656</u>
Other Trust Funds:			
Due to Current Fund-Escrow Trust Fund	B-11		24,921
Due to State Grant Fund	B-12		84,344
Reserve for Escrow Funds	B-13	157,023	166,647
Reserve for Small Cities Revolving Loan	B-14	362,906	346,750
Reserve for Recreational and Community Services	B-15	1,495	271,417
Reserve for Development Fees	B-16	1,776	1,581
Reserve for Tax Sale Premiums	B-17	91,400	44,700
Reserve for Snow Removal	B-18	52,571	7,322
Reserve for First Aid Squad	B-19	25,600	25,600
Interfunds Payable	B-20		20
		<u>692,771</u>	<u>973,302</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 696,158</u>	<u>\$ 983,958</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
GENERAL CAPITAL FUND

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Cash	C-2	\$ 3,234,328	\$ 3,788,877
Deferred Charges to Future Taxation: Unfunded	C-6	-	155,492
TOTAL ASSETS		<u>\$ 3,234,328</u>	<u>\$ 3,944,369</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded	C-7	\$ 959,853	\$ 1,697,572
Encumbrances Payable	C-8	309,457	227,961
Capital Improvement Fund	C-9	1,164,436	134,183
Reserve for Capital Projects	C-10	640,572	1,449,151
Fund Balance	C-1	160,010	435,502
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,234,328</u>	<u>\$ 3,944,369</u>
 Bonds and Notes Authorized But Not Issued	C-11	<u>\$ -</u>	<u>\$ 155,492</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
COMPARATIVE STATEMENT OF FUND BALANCE-REGULATORY BASIS
GENERAL CAPITAL FUND

	Ref.	For the Year Ending	
		<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Balance January 1	C	\$ 435,502	\$ 435,502
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-7	(120,000)	
Appropriated to Finance Deferred Charges	C-6	<u>(155,492)</u>	<u> </u>
Balance December 31	C	<u>\$ 160,010</u>	<u>\$ 435,502</u>

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
SEWER UTILITY FUND

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Operating Fund:			
Cash:			
Treasurer	D-4	\$ 247,838	\$ 235,546
Collector	D-6	12,885	27,776
Due from Payroll Account	D-8	12,561	453
Due from Current Fund	D-18		4,890
		273,284	268,665
Receivables with Full Reserves:			
Sewer Service Charges Receivable	D-9	26,294	19,915
		26,294	19,915
Total Operating Fund		299,578	288,580
Capital Fund:			
Cash:			
Treasurer	D-4	10,934	
Fixed Capital	D-10	900,000	900,000
Fixed Capital Authorized and Uncompleted	D-11	650,000	100,000
Due from Sewer Operating Fund	D-12	112,853	142,860
Total Capital Fund		1,673,787	1,142,860
TOTAL ASSETS		\$ 1,973,365	\$ 1,431,440

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
SEWER UTILITY FUND
(Continued)

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;D-13	\$ 51,103	\$ 27,024
Encumbrances Payable	D-14	28,576	12,360
Sewer Rent Overpayments	D-15	526	7
Prepaid Sewer Rents	D-16	446	273
Due to Sewer Capital Fund	D-17	112,853	142,860
		<u>193,504</u>	<u>182,524</u>
Reserve for Receivables	D	26,294	19,915
Fund Balance	D-1	79,780	86,141
Total Operating Fund		<u>299,578</u>	<u>288,580</u>
Capital Fund:			
Improvement Authorizations	D-19	604,742	83,815
Reserve for Amortization	D-20	900,000	900,000
Deferred Reserve for Amortization	D-21	127,500	100,000
Reserve for Alteration of Sewer System	D-22	30,000	30,000
Capital Improvement Fund	D-23	11,545	29,045
Total Capital Fund		<u>1,673,787</u>	<u>1,142,860</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,973,365</u>	<u>\$ 1,431,440</u>
Bonds and Notes Authorized But Not Issued	D-24	<u>\$ 522,500</u>	<u>\$ -</u>

TOWNSHIP OF HOLLAND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS
SEWER UTILITY FUND

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-2	\$ 50,000	\$ 50,000
Sewer Service Charges	D-2	389,737	386,587
Miscellaneous	D-2	1,976	2,972
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-13	1,926	574
Total Income		<u>443,639</u>	<u>440,133</u>
EXPENDITURES			
Operating Expenses	D-3	388,850	388,850
Capital Improvements	D-3	10,000	10,000
Deferred Charges & Statutory Expenditures	D-3	1,150	1,150
Total Expenditures		<u>400,000</u>	<u>400,000</u>
Statutory Excess to Fund Balance		43,639	40,133
FUND BALANCE			
Balance January 1,	D	<u>86,141</u>	<u>96,008</u>
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>50,000</u>	<u>50,000</u>
Balance December 31,	D	<u>\$ 79,780</u>	<u>\$ 86,141</u>

TOWNSHIP OF HOLLAND
 STATEMENT OF REVENUES-REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2013
 SEWER UTILITY FUND

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	D-1	\$ 50,000		\$ 50,000	
Sewer Service Charges	D-9	350,000		389,737	\$ 39,737
		<u>400,000</u>	\$ -	<u>439,737</u>	<u>39,737</u>
Non-Budget Revenue	D-2			1,976	1,976
		<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 441,713</u>	<u>\$ 41,713</u>
	Ref.	D-3			
Analysis of Non-Budget Revenue:					
Interest on Deposits	D-2	\$ 291			
Interest and Costs on Payments	D-6	1,635			
Miscellaneous Other	D-4	50			
			<u>\$ 1,976</u>		
Interest on Deposits:					
Treasurer	D-4	\$ 239			
Collector	D-6	45			
Sewer Capital	D-17	7			
	D-2		<u>\$ 291</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
SEWER UTILITY FUND

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 12,500	\$ 12,500	\$ 11,964	\$ 536		
Other Expenses:						
Miscellaneous Other Expenses	25,000	25,000	18,060	6,940		
Contribution to Milford Sewer	351,350	351,350	307,945	43,405		
Capital Improvements:						
Capital Improvement Fund	10,000	10,000	10,000			
Statutory Expenditures:						
Contribution to:						
Social Security System	1,000	1,000	928	72		
Unemployment Compensation Insurance	150	150		150		
	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 348,897</u>	<u>\$ 51,103</u>	<u>\$ -</u>	<u>\$ -</u>

Ref.	D-2	D-1; Below	D; D-1
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Analysis of Paid or Charged

Cash Disbursed	D-4	\$ 321,486
Due from Payroll Account	D-8	12,892
Due to Sewer Capital Fund	D-17	10,000
Encumbrances Payable	D-14	4,519
	D-3	<u>\$ 348,897</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS-REGULATORY BASIS

	<u>Balance Dec. 31, 2013</u>
GENERAL FIXED ASSETS	
Land	\$ 2,439,700
Building & Building Improvements	6,692,000
Machinery & Equipment	<u>3,551,368</u>
	<u>\$ 12,683,068</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements-regulatory basis of the Township of Holland (the Municipality) include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Municipality as required by NJS 40A:5-5. Component units are legally separate organizations for which the Municipality is financially accountable. The Municipality is financially accountable for an organization if the Municipality appoints a voting majority of the organization's governing board and (1) the Municipality is able to significantly influence the programs or services performed or provided by the organization; or (2) the Municipality is legally entitled to or can otherwise access the organization's resources; the Municipality is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Municipality is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Municipality in that the Municipality approves the budget, the issuance of debt or the levying of taxes. The Municipality does not currently have any component units.

B. Description of Funds

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

Governmental Funds:

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

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

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

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Accounting Groups:

General Fixed Assets Account Group – to account for all fixed assets of the Municipality. Neither infrastructure of depreciation of assets of the municipality are recorded in the group.

C. Basis of Accounting

The accounting policies of the Municipality conform to the accounting principles and practices prescribed for municipalities by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. The aforementioned policies differ in certain respects from accounting policies generally accepted in the United States of America (GAAP). The more significant differences, which may be material, are discussed further in part D of Note 1.

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting (Cont'd)

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

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

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

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

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

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

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting (Cont'd)

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

No depreciation has been provided for in the financial statements.

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

D. Departures from Generally Accepted Accounting Principles

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

1. Financial Reporting Model-These statements are not based on the requirements as promulgated by GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." This statement made dramatic changes to the financial reporting requirements of state and local governments for GAAP purposes.

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Departures from Generally Accepted Accounting Principles (cont'd)

2. Revenues-GAAP records taxes, utility charges and other revenues as income when levied and there is no reserve for receivables for unpaid balances.
3. Expenditures-GAAP records expenditures when incurred and does not reflect appropriation reserve balances or deferred charges to future taxation.
4. Foreclosed Property-GAAP records the value of foreclosed property at the lower of cost or fair market value and would be recorded in the General Fixed Asset Account Group.
5. Interfunds-GAAP does not require offsetting reserves for Interfund receivables and resulting revenue recognition when interfunds are liquidated.
6. Inventories-GAAP requires inventories to be reported on the balance sheet at year-end.
7. Fixed Assets-GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recording of depreciation as an operating expense of the utility.
8. Grant Accounting-GAAP requires that grants be recorded within a special revenue fund and revenues are not to be realized until earned.
9. Capital Funds-GAAP requires separate funds for the recording of capital projects and payment of debt service while New Jersey requirements incorporates these transactions within one fund.
10. Compensated absence liabilities for sick and vacation pay and for contributions to state administered pension plans are not recorded until paid
11. Losses arising from tax appeals and other contingencies are not recorded until paid.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

State Requirements for Deposits and Investments

New Jersey statutes require each local unit to adopt a cash management plan and shall deposit and/or invest according to that plan, which shall include:

1. The designation of public depositories as defined in Section 1 of PL 1970 Ch 236 (C17:9-41) and permit deposits in designated depositories;
2. The designation of any fund that meets the requirements established pursuant to Section 8 PL 1977, Ch 396(C40A5-15.1);
3. The authorization for investments as permitted pursuant to Section 8 of PL 1977, Ch 396 (C.40A:5-15.1); or
4. Any combination of these designations or authorizations.

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the municipality are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the municipality has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the municipality has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the municipality has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the municipality may invest with any one issuer. As of December 31, 2013, the municipality's funds were invested in NJ Cash Management Funds and with the Sun Bank.

NOTE 3: TAX ASSESSMENTS AND PROPERTY TAXES

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

Upon the filing of certified adopted budgets by the municipality, the municipality's local school 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 NJSA 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.

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 3: TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

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.

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

NOTE 4: LONG-TERM DEBT

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

Summary of Municipal Debt

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Authorized But Not Issued:			
General:			
Bonds and Notes		\$ 155,492	\$ 155,492
Sewer Utility:			
Bonds and Notes	\$ 522,500		
Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 522,500</u>	<u>\$ 155,492</u>	<u>\$ 155,492</u>

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .00%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 898,347	\$ 898,347	
Sewer Utility Debt	<u>522,500</u>	<u>522,500</u>	
	<u>\$ 1,420,847</u>	<u>\$ 1,420,847</u>	<u>\$ -0-</u>

Net Debt \$-0- divided by Equalized Valuation Basis per NJS 40A:2-2 as amended, \$704,610,117 equals .00%.

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 4: LONG-TERM DEBT (Cont'd)Borrowing Power Under NJS 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 24,661,354 <u>-0-</u>
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Remaining Borrowing Power	\$ <u>24,661,354</u>
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Changes in Long-Term Debt

During the year ended December 31, 2013, the following changes occurred in Long-Term Debt.

	<u>Balance</u> <u>Jan. 01, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Authorized But Not Issued Debt:				
General Capital:				
Bonds and Notes	\$ 155,492		\$ 155,492	
Sewer Utility:				
Bonds and Notes	<u> </u>	\$ 522,500	<u> </u>	\$ 522,500
Total	\$ 155,492	\$ 522,500	\$ 155,492	\$ 522,500

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund	\$ 1,346,453
Sewer Utility	35,200

NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

The following deferred charges are to be raised in succeeding budgets at December 31, 2013:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Amount</u> <u>in 2014</u> <u>Budget</u>	<u>Subsequent</u> <u>Budget</u> <u>Appropriation</u>
Special Emergency Authorization	\$ 139,000	\$ 27,800	\$ 111,200

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 7: SCHOOL TAXES

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

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	Balance	Balance	Balance	Balance
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Balance of Tax	\$ 4,149,380	\$ 4,232,367	\$ 1,989,401	\$ 1,933,752
Deferred	<u>-0-</u>	<u>-0-</u>	<u>411,677</u>	<u>411,677</u>
Tax Payable	<u>\$ 4,149,380</u>	<u>\$ 4,232,367</u>	<u>\$ 1,577,724</u>	<u>\$ 1,522,075</u>

NOTE 8: TAXES COLLECTED IN ADVANCE

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

	Balance	Balance
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Prepaid Taxes	\$ 110,337	\$ 77,067
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 110,337</u>	<u>\$ 77,067</u>

NOTE 9: PENSIONS

Employees who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions Treasury Department of the State of New Jersey. The three State administered plans are:

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

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in January of 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 9: PENSIONS (Cont'd)

Significant legislation which became effective October 1, 2011 under Chapter 78, PL 2011 will gradually increase the employee contribution rate for PERS members from 5.5% to 7.5% of annual compensation by July 2018. Effective July 1, 2013, the rate was increased to 6.78%. After that, the rate will increase each July 1st over the phase-in period until reaching 7.5% effective July 1, 2018.

The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in July of 1944 under the provisions of NJSA 43:16A. Its designated purpose is to provide retirement, death and disability benefits to its members. Membership is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of service up to 30 years plus 1% for years of service in excess of 30 years.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/annrpts.shtml.

The contribution policy for PERS and PFRS are set by New Jersey State Statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are a percentage of annual compensation, as defined, and are currently 6.78% for PERS and 8.5% for PFRS. Funding by the municipality is at an actuarially determined rate. Three year trend information for PERS and PFRS contributions are as follows:

Three year trend information for PERS and PFRS is as follows:

<u>Year Funded</u>	<u>Municipal Contribution</u>	
	<u>PERS</u>	<u>PFRS</u>
2013	\$ 85,886	\$ 109,604
2012	82,622	100,201
2011	92,366	84,447

Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is available from the State Retirement System.

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 10: POST-RETIREMENT BENEFITS

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The Municipality contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer definer benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Municipality adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

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

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

The Municipality's contributions to the SHBP for post retirement benefits for the years ended December 31, 2013, 2012, and 2011, were \$0, \$0, and \$0, which equaled the required benefit contribution for each year. There were no retired participants eligible at December 31, 2013, 2012 and 2011.

TOWNSHIP OF HOLLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

The Township has not permitted employees to accrue vacation, sick and compensatory pay which may be taken off or paid at a later date at an agreed upon rate.

NOTE 12: FIXED ASSETS

The following schedule is a summarization of fixed assets at December 31, 2013:

Land	\$ 2,439,700
Buildings & Building Improvements	6,692,000
Machinery & Equipment	<u>3,551,368</u>
Total	<u>\$ 12,683,068</u>

NOTE 13: LITIGATION

During the normal course of operations, lawsuits are occasionally brought against the municipality. There are presently no outstanding lawsuits that would result in a contingent liability to the Township.

NOTE 14: INTERFUND RECEIVABLE AND PAYABLE

The following interfund balances remained on the various balance sheets at December 31, 2013:

Fund	Interfund Receivable	Interfund Payable
Current Fund:		
Due to Other Trusts		\$ 49,300
Due to Payroll Fund		22,242
Payroll Fund:		
Due to Current Fund	\$ 22,242	
Due to Sewer Operating		12,561
Trust Fund:		
Due from/to Current Fund	49,300	
Sewer Operating Fund:		
Due to Sewer Capital Fund		112,853
Due from Payroll Fund	12,561	
Sewer Capital Fund:		
Due from Sewer Operating Fund	<u>112,853</u>	
	<u>\$ 196,956</u>	<u>\$ 196,956</u>

Balances due to and from the payroll account represent payroll transactions that were not settled by the end of the current year.

The amount due to the Trust Fund by the Current Fund represents tax sale premiums and a miscellaneous item not turned over at end of year end.

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 15: RISK MANAGEMENT

The amount due to Sewer Capital by the Sewer Operating Fund represents prior year transactions not settled at year end.

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

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

NOTE 16: SUBSEQUENT EVENTS

The Municipality has evaluated subsequent events through May 30, 2014, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 “Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25”. This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Municipality’s financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Municipality’s financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 “Government Combinations and Disposals of Government Operations”. This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Municipality’s financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the Municipality’s financial reporting.

TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the Municipality's financial reporting.

SUPPLEMENTARY SCHEDULES

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2013
CURRENT FUND

TOWNSHIP OF HOLLAND
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2012	A	\$ 10,181,667	\$ -
Increased by Receipts:			
Tax Collector	A-6	\$ 14,877,708	
Change Funds Redeemed	A-8	200	
Interest on Investments	A-2	9,818	
Miscellaneous Revenue not Anticipated	A-2	189,294	
State Library Aid	A-4	264	
Revenue Accounts Receivable	A-12	3,164,889	
Due from Escrow Trust Funds	A-13	24,921	
Due from Developers Fee Account	A-15	20	
Due from Animal Control Fund	A-16	10,024	
Due from Current Fund	A-19		\$ 89,110
State of NJ-Veterans' & Senior Citizens' Deductions	A-23	72,895	
Due to Other Trust Fund	A-30	100	
Due to County and State-License Fees	A-32	695	
Due to Grant Fund	A-33	67,719	
		<u>18,418,547</u>	<u>89,110</u>
		28,600,214	89,110

TOWNSHIP OF HOLLAND
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2013 Budget Appropriations	A-3	\$ 1,639,911	
2012 Appropriation Reserves	A-21	219,103	
Due to Payroll Account	A-14	2,050,000	
Due from Animal Control Fund	A-16	10,856	
Due to Sewer Operating Fund	A-17	4,890	
Due from Current Fund	A-19		\$ 5,002
Tax Overpayments Refunded	A-25	9,477	
Regional HS Tax Payable	A-26	3,923,754	
Local School Tax Payable	A-27	8,381,748	
County Taxes Payable	A-28	2,504,756	
Due from General Capital Fund	A-29	521,073	
Due to Outside Lien holders	A-6	174,428	
Due to County and State-License Fees	A-32	595	
Due to Grant Fund	A-33	134,885	
Reserve for Revaluation	A-38	38,309	
Encumbrances Payable-Grant Fund	A-39		27,649
State Library Aid Paid to Library	A-4	264	
		<u>\$ 19,614,049</u>	<u>\$ 32,651</u>
Balance December 31, 2013	A	<u>\$ 8,986,165</u>	<u>\$ 56,459</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER NJS 40A:5.5-TREASURER

	Ref.	Regular Fund	Federal & State Grant Fund
Balance December 31, 2013	A-4	\$ 8,986,165	\$ 56,459
Increased by:			
Receipts		9,106,510	7
		18,092,675	56,466
Decreased by:			
Disbursements		11,978,155	3,237
Balance March 31, 2014		<u>\$ 6,114,520</u>	<u>53,229</u>
 <u>Cash Reconciliation March 31, 2014</u>			
Balance Per Statement:			
Sun Bank		\$ 5,473,621	\$ 53,229
NJ Cash Management		671,401	
		6,145,022	53,229
Add: Deposit-in-Transit		1,354	
		6,146,376	53,229
Less: Outstanding Checks		31,856	
Book Balance		<u>\$ 6,114,520</u>	<u>\$ 53,229</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CURRENT FUND CASH-COLLECTOR

	<u>Ref.</u>	<u>Operating Fund</u>
Balance December 31, 2012	A	\$ 164,191
Increased by Receipts:		
Taxes Receivable	A-9	\$ 14,454,964
Tax Title Liens Receivable	A-10	602
Interest and Cost on Taxes	A-2	44,332
Interest on Deposits	A-2	425
Tax Overpayments	A-25	12,150
Prepaid Taxes	A-24	77,067
Tax Sale Premiums Received	A-30	48,900
Due to Outside Lienholders	A-4	174,428
Miscellaneous Revenue not Anticipated	A-2	449
		<u>14,813,317</u>
		14,977,508
Decreased by Disbursements:		
Paid to Treasurer	A-4	<u>14,877,708</u>
Balance December 31, 2013	A; A-7	<u>\$ 99,800</u>

A-7

TOWNSHIP OF HOLLAND
SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER NJS 40A:5-5 COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2013	A-6	\$ 99,800
Increased by:		
Receipts		<u>3,680,048</u>
		3,779,848
Decreased by:		
Disbursements		<u>3,670,052</u>
Balance March 31, 2014		<u>\$ 109,796</u>
<u>Cash Reconciliation March 31, 2014</u>		
Balance Per Statement:		
Sun Bank		\$ 113,495
Less: Deposit Errors		<u>3,699</u>
Book Balance		<u>\$ 109,796</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CHANGE FUNDS

<u>Office</u>	<u>Balance</u> <u>12/31/2013</u>	<u>Balance</u> <u>12/31/2012</u>
Tax Collector	\$ 50	\$ 50
Community Center	300	300
Public Works Department		200
	<u>\$ 350</u>	<u>\$ 550</u>
<u>Ref.</u>	A	A

TOWNSHIP OF HOLLAND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2013 Levy	Added 2013	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance
	12/31/2012			2012	2013					12/31/2013
2012	\$ 176,231		\$ 1,000		\$ 177,231					
2013		\$ 14,834,461	12,508	\$ 110,337	14,277,733		\$ 73,608	\$ 37	\$ 156,829	\$ 228,425
	<u>\$ 176,231</u>	<u>\$ 14,834,461</u>	<u>\$ 13,508</u>	<u>\$ 110,337</u>	<u>\$ 14,454,964</u>	<u>\$ -</u>	<u>\$ 73,608</u>	<u>\$ 37</u>	<u>\$ 156,829</u>	<u>\$ 228,425</u>
<u>Ref.</u>	A	Reserve	Reserve	A-24	A-6		A-23	A-25	Reserve	A

TOWNSHIP OF HOLLAND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY
(Continued)

	<u>Ref.</u>	
<u>Analysis of 2013 Property Tax</u>		
Tax Yield:		
General Purpose Tax		\$ 14,834,461
Added and Omitted Taxes		<u>12,508</u>
	A-10	<u>\$ 14,846,969</u>
Tax Levy:		
Local District School Tax	A-2;A-27	\$ 8,464,735
Regional District School Tax	A-2;A-26	3,868,105
County Tax		\$ 2,085,456
County Library Tax		208,555
County Open Space Tax		207,521
County Share of Added and Omitted Taxes		<u>2,133</u>
Total County Taxes	A-2;A-28	2,503,665
Municipal Purpose Tax	A-2	
Additional Tax Levied		<u>10,464</u>
Total Municipal Purpose Tax		<u>10,464</u>
	A-10	<u>\$ 14,846,969</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 373,879
Decreased by:			
Collections	A-6	\$ 602	
Transferred to Foreclosed Property	A-11	<u>281,885</u>	
			<u>282,487</u>
Balance December 31, 2013	A		<u>\$ 91,392</u>

A-11

TOWNSHIP OF HOLLAND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES-ASSESSED VALUATION

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ -
Increased by:			
Transfer from Tax Title Liens	A-10	\$ 281,885	
Adjustment to Assessed Valuation	Reserve	<u>142,415</u>	
			<u>424,300</u>
Balance December 31, 2013	A		<u>\$ 424,300</u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2012</u>	<u>Accrued in 2013</u>	<u>Collected</u>	<u>Balance Dec.31,2013</u>
Alcoholic Beverage Licenses	A-2		\$ 5,376	\$ 5,376	
Municipal Court	A-2	\$ 859	16,796	16,791	\$ 864
Swimming Pool Fees	A-2		110,263	110,263	
Riegle Ridge Community Center Fees	A-2		314,292	314,292	
Snack Bar Fees	A-2		25,134	25,134	
Other Recreational Activities	A-2		3,551	3,551	
Energy Receipts Tax	A-2		2,689,482	2,689,482	
		<u>\$ 859</u>	<u>\$ 3,164,894</u>	<u>\$ 3,164,889</u>	<u>\$ 864</u>
	<u>Ref.</u>	A	Reserve	A-4	A

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM ESCROW TRUST FUNDS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 24,921
Decreased by:		
Receipts	A-4	<u>24,921</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 10,479
Increased by:		
2013 Budget Charges	A-3	<u>2,063,763</u>
		2,074,242
Decreased by:		
Disbursements	A-4	<u>2,050,000</u>
Balance December 31, 20123	A	<u><u>\$ 24,242</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM DEVELOPERS FEE ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 20
Decreased by:		
Receipts	A-4	<u>20</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 10,024
Increased by:		
Disbursements	A-4	<u>10,856</u>
		20,880
Decreased by:		
2013 Budget Appropriations	A-3	\$ 10,856
Receipts	A-4	<u>10,024</u>
		<u>20,880</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO SEWER OPERATING FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 4,890
Decreased by:		
Disbursements	A-4	<u>4,890</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM OTHER TRUST FUNDS
FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 84,344
Decreased by:		
Balance Transferred to Current Fund	A-19	<u>84,344</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

A-19

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO CURRENT FUND
FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 12,083
Increased by:			
Receipts	A-4	\$ 89,110	
Encumbrances Paid in Current Fund	A-39	<u>56,846</u>	
			<u>145,956</u>
			158,039
Decreased by:			
Due from Trust Fund Transferred to Current	A-18	84,344	
Unappropriated Grants Received in Current	A-35	29,697	
Grants Received in Current	A-20	38,996	
Disbursements	A-4	<u>5,002</u>	
			<u>158,039</u>
Balance December 31, 2013	A		<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF GRANT FUNDS RECEIVABLE

	Balance Dec. 31, 2012	Accrued in 2013	Collected	Balance Canceled	Balance Dec. 31, 2013	
Highway Safety DWI Grant	\$ 29			\$ 29		
Highlands Grant	188,024		\$ 3,941		\$ 184,083	
Clean Communities Program	580		580			
Recycling Tonnage Grant		\$ 10,777	10,777			
Clean Communities Program		13,571	13,571			
Geon Energy Grant		500	500			
Emergency Management Grant		5,000	5,000			
Body Armor Grant		1,025	1,025			
FEMA Shelter Grant		29,981	29,981			
FEMA HMGP		112,000			112,000	
NJ Forestry Grant		3,000			3,000	
NJ Historical Grant		4,494	4,494			
	<u>\$ 188,633</u>	<u>\$ 180,348</u>	<u>\$ 69,869</u>	<u>\$ 29</u>	<u>\$ 299,083</u>	
	<u>Ref.</u>	A	A-2	Below	A-34	A
Due from Current Fund	A-19		\$ 38,996			
Unappropriated Reserves Applied	A-35		<u>30,873</u>			
			<u>\$ 69,869</u>			

TOWNSHIP OF HOLLAND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Mayor and Council:					
Other Expenses	\$ 14,100	\$ 14,452	\$ 8,756	\$ 5,696	
Municipal Clerk:					
Salaries and Wages	15,142	15,142		15,142	
Codification of Ordinances	301	301		301	
Legal Notices	216	216		216	
Elections	4,000	4,000		4,000	
Other Expenses	5,182	5,490	434	5,056	
Financial Administration:					
Salaries and Wages	14,645	14,645		14,645	
Other Expenses	2,270	8,106	5,710	2,396	
Assessment of Taxes:					
Salaries and Wages	404	404		404	
Other Expenses	3,344	3,344	211	3,133	
Revenue Administration:					
Salaries and Wages	888	888		888	
Other Expenses	2,121	2,311	196	2,115	
Legal Services and Costs:					
Other Expenses	72,418	78,818	49,392	29,426	
Engineering Services & Costs:					
Other Expenses	77,712	79,122	7,170	71,952	
Municipal Court:					
Salaries and Wages	984	984		984	
Other Expenses	32	32		32	
Municipal Prosecutor:					
Salaries and Wages	57	57		57	
Public Building and Grounds:					
Salaries and Wages	12,184	12,184		12,184	
Other Expenses	7,844	10,783	5,576	5,207	
Planning Board:					
Salaries and Wages	5,330	5,330	337	4,993	
Other Expenses	52,666	53,412	427	52,985	

TOWNSHIP OF HOLLAND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Salaries and Wages	\$ 7,372	\$ 7,372		\$ 7,372	
Other Expenses	2,605	3,037	\$ 237	2,800	
Fire:					
Other Expenses	298	4,311	3,429	882	
Police:					
Salaries and Wages	1,704	1,704		1,704	
Other Expenses	26,029	32,138	8,627	23,511	
Office of Emergency Management:					
Salaries and Wages	1	1		1	
Other Expenses	2,152	2,152	113	2,039	
Public Defender:					
Salaries and Wages	247	247		247	
Road Repair and Maintenance:					
Salaries and Wages	49,098	49,098		49,098	
Other Expenses	66,212	80,910	52,335	28,575	
Snow Removal:					
Other Expenses	45,248	45,248	45,248		
Vehicle Maintenance:					
Other Expenses	5,645	7,950	2,391	5,559	
Solid Waste Collection:					
Salaries and Wages	241	1,241	720	521	
Other Expenses	2,264	8,556	1,361	7,195	
Board of Health:					
Salaries and Wages					
Other Expenses	950	950	400	550	
Environmental Health Services:					
Other Expenses	200	200		200	

TOWNSHIP OF HOLLAND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Parks and Recreation:					
Other Expenses	\$ 6,139	\$ 6,639	\$ 2,520	\$ 4,119	
Riegel Ridge Community Center:					
Salaries and Wages	2,911	2,911		2,911	
Other Expenses	4,503	7,241	6,890	351	
Swimming Pool					
Salaries and Wages	783	783		783	
Other Expenses	10,216	10,470	1,880	8,590	
Snack Bar:					
Salaries and Wages	3,716	3,716		3,716	
Other Expenses	2,159	2,159	171	1,988	
Historical Preservation Commission:					
Salaries and Wages	339	339		339	
Other Expenses	204	1,215	1,011	204	
Agriculture Advisory Committee:					
Salaries and Wages	1,000	1,000		1,000	
Other Expenses	7,330	12,400	5,295	7,105	
Unclassified:					
Utilities:					
Fuel Oil	5,819	6,638	820	5,818	
Gasoline	26,645	27,235	590	26,645	
Electricity	32,054	34,440	2,752	31,688	
Telephone	8,525	8,525	70	8,455	
Street Lighting	18,603	22,006	4,885	17,121	
Landfill/Solid Waste Disposal Costs	21,634	21,634	1,020	20,614	
Natural Gas	5,611	6,626	2,249	4,377	
Contingent	100	100		100	
Contribution to:					
Social Security System (OASI)	1,792	1,792		1,792	
DCRP Contribution	2,108	2,108		2,108	
Unemployment Compensation	998	998		998	

TOWNSHIP OF HOLLAND
 SCHEDULE OF 2012 APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2013
 (Continued)

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Transfer</u>	<u>Expended</u>	<u>Balance Lapsed</u>	<u>Overexpended</u>
Insurance (PL 1985 Ch 522):					
Group Insurance Plan for Employees	\$ 97,843	\$ 97,843		\$ 97,843	
Worker's Compensation Insurance	3,664	3,664		3,664	
Other Insurance Premiums	2,614	2,614		2,614	
COAH:					
Other Expenses	<u>4,723</u>	<u>4,723</u>		<u>4,723</u>	
	<u>\$ 774,139</u>	<u>\$ 844,955</u>	<u>\$ 223,223</u>	<u>\$ 621,732</u>	<u>\$ -</u>
<u>Ref.</u>	A	Below	Below	A-1	
Analysis of Balance After Transfer:					
Appropriation Reserves	A	\$ 774,139			
Encumbrances Payable	A-22	<u>70,816</u>			
		<u>\$ 844,955</u>			
Analysis of Expended:					
Encumbrances Payable	A-22		\$ 4,120		
Disbursements	A-4		<u>219,103</u>		
			<u>\$ 223,223</u>		

TOWNSHIP OF HOLLAND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 71,041
Increased by:			
2013 Budget Charges	A-3	\$ 113,827	
2012 Appropriation Reserve Charges	A-21	4,120	
Reserve for Revaluation	A-38	<u>31,691</u>	
			<u>149,638</u>
			220,679
Decreased by:			
Applied to Appropriation Reserves	A-21		<u>70,816</u>
Balance December 31, 2013	A		<u>\$ 149,863</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
VETERANS' AND SENIOR CITIZENS' DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 2,098
Increased by:			
Receipts	A-4	\$ 72,895	
Prior Year Senior Citizen Deductions Denied	A-1	<u>1,000</u>	
			<u>73,895</u>
			75,993
Decreased by:			
Veterans' Deductions per Tax Billings		61,750	
Senior Citizens' Deductions per Tax Billings		11,250	
Senior Citizens' Deductions Allowed by Tax Collector		500	
Veterans' Deductions Allowed by Tax Collector		<u>500</u>	
		74,000	
Less:			
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector		<u>392</u>	
	A-9		<u>73,608</u>
Balance December 31, 2013	A		<u>\$ 2,385</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 110,337
Increased by:		
Collection of 2014 Taxes	A-6	<u>77,067</u>
		187,404
Decreased by:		
Applied to 2013 Taxes Receivable	A-9	<u>110,337</u>
Balance December 31, 2013	A	<u><u>\$ 77,067</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 18
Increased by:		
Receipts	A-6	<u>12,150</u>
		12,168
Decreased by:		
Disbursements	A-4	\$ 9,477
Balances Canceled	A-1	111
Applied to 2013 Taxes	A-9	<u>37</u>
		<u>9,625</u>
Balance December 31, 2013	A	<u><u>\$ 2,543</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 1,577,724	
School Tax Deferred (10.30%)		<u>411,677</u>	\$ 1,989,401
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-9		<u>3,868,105</u>
			5,857,506
Decreased by:			
Disbursements	A-4		<u>3,923,754</u>
Balance December 31, 2013:			
School Tax Payable	A	1,522,075	
School Tax Deferred (10.64%)		<u>411,677</u>	\$ 1,933,752
			<u><u>1,933,752</u></u>
<u>2013 Liability for Regional High School Tax</u>			
Tax Paid			\$ 3,923,754
Add: Tax Payable December 31, 2013			<u>1,522,075</u>
			5,445,829
Less: Tax Payable December 31, 2012			<u>1,577,724</u>
Amount Charged to Operations	A-1		<u><u>\$ 3,868,105</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 4,149,380	
School Tax Deferred		-	
		<u> </u>	\$ 4,149,380
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-9		8,464,735
			<u> </u>
			12,614,115
Decreased by:			
Disbursements	A-4		8,381,748
			<u> </u>
Balance December 31, 2013:			
School Tax Payable	A	4,232,367	
School Tax Deferred		-	
		<u> </u>	\$ 4,232,367
			<u> </u>
			\$ 4,232,367
<u>2013 Liability for Regional High School Tax</u>			
Tax Paid			\$ 8,381,748
Add: Tax Payable December 31, 2013			4,232,367
			<u> </u>
			12,614,115
Less: Tax Payable December 31, 2012			4,149,380
			<u> </u>
Amount Charged to Operations	A-1		<u> </u> \$ 8,464,735

TOWNSHIP OF HOLLAND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 3,224
Increased by:		
2013 Levy:		
County Taxes		\$ 2,085,456
County Library Tax		208,555
County Open Space Tax		207,521
County Share of Added & Omitted Taxes		<u>2,133</u>
	A-1;A-9	<u>2,503,665</u>
		2,506,889
Decreased by:		
Disbursements	A-4	<u>2,504,756</u>
Balance December 31, 2013	A	<u><u>\$ 2,133</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ -
Increased by:			
Interest Earnings	A-2	\$ 3,927	
Disbursements	A-4	<u>521,073</u>	
			<u>525,000</u>
			525,000
Decreased by:			
2013 Budget Appropriations	A-3		<u>525,000</u>
Balance December 31, 2013	A		<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ -
Increased by:			
Transfer from Reserve	A-36	\$ 300	
Recreation Trust Funds Received	A-4	100	
Tax Sale Premiums Received	A-6	<u>48,900</u>	
			<u>49,300</u>
Balance December 31, 2013	A		<u><u>\$ 49,300</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR GARDEN STATE
PRESERVATION TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 21,453
Decreased by:		
Anticipated as 2013 Revenue	A-2	<u>21,453</u>
Balance December 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO COUNTY AND STATE-LICENSE FEES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ -
Increased by:		
License Fees Collected	A-4	<u>695</u>
		695
Decreased by:		
License Fees Disbursed	A-4	<u>595</u>
Balance December 31, 2013	A	<u>\$ 100</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM GRANT FUND

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	12,083
Increased by:			
Disbursements	A-4		<u>134,885</u>
			146,968
Decreased by:			
Receipts	A-4	\$	67,719
Grant Receivable Adjustment	A-1		<u>79,249</u>
			<u>146,968</u>
Balance December 31, 2013	A	\$	<u><u>-</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant Period	Grant	Balance 12/31/2012	Transferred from 2013 Budget	Paid or Charged	Balance Canceled	Balance 12/31/2013
01/01/09 to 12/31/09	Clean Communities					
01/01/10 to 12/31/10	Program-2009 Clean Communities	\$ 3,170		\$ 3,170		
01/01/11 to 12/31/11	Program-2010 Clean Communities	13,716		13,716		
01/01/12 to 12/31/12	Program-2011 Clean Communities	13,786		13,786		
01/01/13 to 12/31/13	Program-2012 Clean Communities	13,532		13,532		
01/01/05 to 12/31/05	Program-2013 NJ Department of Environmental Protection-Storm		\$ 13,571	11,921		\$ 1,650
01/01/06 to 12/31/06	Water Management Grant-2005 NJ Department of Environmental Protection-Storm	3,048		(351)		3,399
01/01/05 to 12/31/05	Water Management Grant-2006 Historical Comm Book	6,250				6,250
01/01/08 to 12/31/08	Grant Uniform Fire Code	90		90		
01/01/11 to 12/31/11	Violations Highway Safety	375				375
01/01/11 to 12/31/11	DWI Grant Highlands Grant	29			\$ 29	
01/01/11 to 12/31/11	First Highlands Grant	10,832		5,909		4,923
01/01/12 to 12/31/12	Second GEON Energy	174,100				174,100
01/01/13 to 12/31/13	Grant GEON Energy	500		491		9
01/01/13 to 12/31/13	Grant Recycling		500			500
01/01/13 to 12/31/13	Grant -2013 Emergency Management		10,777	8,420		2,357
01/01/13 to 12/31/13	Grant Body Armor		5,000	5,000		
01/01/13 to 12/31/13	Grant FEMA Shelter		1,025	826		199
01/01/13 to 12/31/13	Grant FEMA HMGP		29,981	418		29,563
01/01/13 to 12/31/13	Grant NJ Forestry		112,000			112,000
01/01/13 to 12/31/13	Grant NJ Historical		3,000			3,000
01/01/13 to 12/31/13	Grant		4,494	4,494		
		<u>\$ 239,428</u>	<u>\$ 180,348</u>	<u>\$ 81,422</u>	<u>\$ 29</u>	<u>\$ 338,325</u>
Ref.	A		A-3: A-20	A-39	A-20	A

TOWNSHIP OF HOLLAND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 17,435
Increased by:		
Grant Funds Received	A-19	<u>29,697</u>
		47,132
Decreased by:		
Applied to Grant Funds Receivable	A-20	<u>30,873</u>
Balance December 31, 2013	A	<u><u>\$ 16,259</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 300
Decreased by:		
Transfer to Due to Other Trust Funds	A-30	<u>300</u>
Balance December 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR VETERANS DAY CELEBRATION

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 200</u>
Balance December 31, 2013	A	<u>\$ 200</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	-
Increased by:			
2013 Budget Charges	A-3		<u>139,000</u>
			139,000
Decreased by:			
Disbursements	A-4	\$	38,309
Encumbrances Payable	A-22		<u>31,691</u>
			<u>70,000</u>
Balance December 31, 2013	A	\$	<u><u>69,000</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF ENCUMBRANCES PAYABLE
FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	4,031
Increased by:			
2013 Grant Charges	A-34		<u>81,422</u>
			85,453
Decreased by:			
Disbursements	A-4	\$	27,649
Encumbrances Paid in Current Fund	A-19		<u>56,846</u>
			<u>84,495</u>
Balance December 31, 2013	A	\$	<u><u>958</u></u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF DEFERRED CHARGES NJS 40A:4-55 SPECIAL EMERGENCY AUTHORIZATIONS

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance 12/31/2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance 12/31/2013</u>
4/2/2013	Revaluation of Real Property	\$ 139,000	\$ 27,800		\$ 139,000		\$ 139,000
				<u>\$ -</u>	<u>\$ 139,000</u>	<u>\$ -</u>	<u>\$ 139,000</u>
				<u>Ref.</u>	A	A-3	A

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2013
TRUST FUND

TOWNSHIP OF HOLLAND
 SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2012	B	\$ 8,891	\$ 325,245
Increased by Receipts:			
Dog License Official	B-3	\$ 1,436	
Due from Dog License Official	B-4	440	
Due to State of New Jersey	B-6	1,416	
Animal Control Fees	B-7	7,372	
Municipal Contribution	B-7	10,856	
Due to Current Fund	B-8	10	
Reserve for Escrow Funds	B-13		\$ 52,839
Small Cities Revolving Loan	B-14		43,565
Development Fees	B-16		211
Reserve for Snow Removal	B-19		45,249
		<u>21,530</u>	<u>141,864</u>
Decreased by Disbursements:		<u>30,421</u>	<u>467,109</u>
Animal Control Fund	B-7	14,923	
Due to Payroll	B-5	581	
Due to State of New Jersey	B-6	1,496	
Due to Current Fund	B-8	10,034	
Due to Current Fund-Escrow Trust	B-11		24,921
Reserve for Escrow Funds	B-13		62,463
Small Cities Revolving Loan	B-14		27,409
Development Fees	B-16		16
Reserve for Tax Sale Premiums	B-17		2,500
Interfunds Payable	B-20		20
		<u>27,034</u>	<u>117,329</u>
Balance December 31, 2013	B	<u>\$ 3,387</u>	<u>\$ 349,780</u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
 PER NJS 40A:5-5-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2013	B-1	\$ 3,387	\$ 349,780
Increased by:			
Receipts		2,499	3,582
		5,886	353,362
Decreased by:			
Disbursements		3,955	34,357
		3,955	34,357
Balance March 31, 2014		\$ 1,931	\$ 319,005
 <u>Cash Reconciliation March 31, 2014</u>			
Balance per Statement:			
Sun Bank		\$ 1,931	\$ 326,201
Add: Deposit-in-Transit		-	-
		1,931	326,201
Less: Outstanding Checks		-	7,196
		-	7,196
Book Balance		\$ 1,931	\$ 319,005

TOWNSHIP OF HOLLAND
SCHEDULE OF CASH-DOG LICENSE OFFICIAL

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ -
Increased by Receipts:		
Animal Control Fees	B-7	1,436
		<u>1,436</u>
Decreased by Disbursements:		
Transfer to Animal Control Treasurer	B-1	1,436
		<u>1,436</u>
Balance December 31, 2013	B	<u><u>-</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM DOG LICENSE OFFICIAL

Balance December 31, 2012	B	\$ 440
Decreased by:		
Receipts	B-1	440
		<u>440</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM PAYROL
ANIMAL CONTROL FUND

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	789
Increased by:			
Disbursements	B-1		581
			<u>1,370</u>
Decreased by:			
Payroll Charges	B-7		1,370
			<u>1,370</u>
Balance December 31, 2013	B	\$	<u><u>-</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>			
Balance December 31, 2012	B	\$		632
Increased by:				
State Fees Collected	B-1			1,416
				<u>2,048</u>
Decreased by:				
Disbursements	B-1	\$	1,496	
Balance Applied to Reserve	B-7		<u>536</u>	
				<u>2,032</u>
Balance December 31, 2013	B	\$		<u><u>16</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2012 (Deficit)	B	\$	(536)
Increased by Receipts:			
Animal Control Fees:			
Due from Dog License Official	B-4	\$	1,436
Animal Control Fees	B-1		7,372
Municipal Contribution	B-1		10,856
Due to New Jersey Applied	B-6		536
			<u>20,200</u>
			19,664
Decreased by:			
Expenditures Under RS 4:119-15.	B-1		14,923
Payroll Charges	B-5		1,370
			<u>16,293</u>
Balance December 31, 2013 (Deficit)	B	\$	<u><u>3,371</u></u>
 <u>Animal Control Collections</u>			
2011		\$	7,776
2012			<u>5,816</u>
Maximum Allowable Reserve		\$	<u><u>13,592</u></u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF DUE TO CURRENT FUND
 ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 10,024
Increased by Receipts:		
Interest Income-Treasurer	B-1	10
		<u>10,034</u>
Decrease by:		
Disbursements	B-1	10,034
		<u>10,034</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF STATE GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 354,366
Decrease by:		
Balance Canceled	B-12, B-15	<u>354,366</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 293,691</u>
Balance December 31, 2013	B	<u><u>\$ 293,691</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO CURRENT FUND-ESCROW TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 24,921
Decrease by:		
Disbursements	B-1	<u>24,921</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 84,344
Decrease by:		
Balance Canceled	B-9	<u>84,344</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR ESCROW FUNDS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 166,647
Increased by:		
Receipts	B-1	52,839
		<u>219,486</u>
Decreased by:		
Disbursements	B-1	62,463
		<u>62,463</u>
Balance December 31, 2013	B	<u>\$ 157,023</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR SMALL CITIES REVOLVING LOAN

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 346,750
Increased by:		
Receipts	B-1	43,565
		<u>390,315</u>
Decreased by:		
Disbursements	B-1	27,409
		<u>27,409</u>
Balance December 31, 2013	B	<u>\$ 362,906</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR RECREATIONAL AND COMMUNITY SERVICES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 271,417
Increased by:		
Due from Current Fund	B-20	<u>100</u>
		271,517
Decrease by:		
Balance Canceled	B-9	<u>270,022</u>
Balance December 31, 2013	B	<u>\$ 1,495</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR DEVELOPMENT FEES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 1,581
Increased by:		
Receipts	B-1	<u>211</u>
		1,792
Decreased by:		
Disbursements	B-1	<u>16</u>
Balance December 31, 2013	B	<u>\$ 1,776</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 44,700
Increased by:		
Premiums Received in Current Fund	B-20	49,200
		<u>93,900</u>
Decreased by:		
Premiums Refunded	B-1	2,500
		<u>2,500</u>
Balance December 31, 2013	B	<u>\$ 91,400</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 7,322
Increased by:		
Transfer in from Current Fund	B-1	<u>45,249</u>
Balance December 31, 2013	B	<u><u>\$ 52,571</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR FIRST AID SQUAD

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 25,600</u>
Balance December 31, 2013	B	<u><u>\$ 25,600</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF INTERFUNDS-OTHER TRUST FUNDS

	<u>Ref.</u>		
Balance December 31, 2012 (Due to)	B	\$	20
Decreased by:			
Receipts in Current Fund:			
Recreational and Community Services	B-15	\$	100
Tax Sale Premiums	B-17		49,200
Disbursements	B-1		<u>20</u>
			<u>49,320</u>
Balance December 31, 2013 (Due from)	B	\$	<u><u>49,300</u></u>

<u>Analysis of Balance</u>	<u>December 31,</u> <u>2012</u>	<u>December 31,</u> <u>2013</u>
Due from:		
Current Fund-Tax Sale Premiums		\$ 49,200
Recreational and Community Services		100
Due to:		
Current Fund-Development Fees	<u>\$ (20)</u>	
	<u><u>\$ (20)</u></u>	<u><u>\$ 49,300</u></u>

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2013
GENERAL CAPITAL FUND

TOWNSHIP OF HOLLAND
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 3,788,877
Increased by Receipts:		
Due to Current Fund	C-5	\$ 525,000
Reimbursement of Completed Projects	C-9	<u>970,253</u>
		<u>1,495,253</u>
		5,284,130
Decreased by Disbursements:		
Encumbrances Payable	C-8	<u>2,049,802</u>
Balance December 31, 2013	C; C-3	<u><u>\$ 3,234,328</u></u>

C-3

TOWNSHIP OF HOLLAND
SCHEDULE OF GENERAL CAPITAL FUND CASH AND RECONCILIATION
PER NJS 40A:5-5 TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	C-2	\$ 3,234,328
Increased by:		
Receipts		<u>100,407</u>
		3,334,735
Decreased by:		
Disbursements		<u>132,482</u>
Balance March 31, 2014		<u><u>\$ 3,202,253</u></u>
 <u>Cash Reconciliation March 31, 2014</u>		
Balance Per Statement:		
Sun Bank		<u><u>\$ 3,202,253</u></u>

TOWNSHIP OF HOLLAND
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance Dec. 31, 2012	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2013
Fund Balance	\$ 435,502			\$ (275,492)	\$ 160,010
Capital Improvement Fund	134,183	\$ 970,253		60,000	1,164,436
Due to/from Current Fund		525,000		(525,000)	
Encumbrances Payable	227,961		\$ 2,049,802	2,131,298	309,457
Reserve for Capital Projects	1,449,151			(808,579)	640,572
<u>Improvement Authorizations</u>					
Acquisition of Land	23,150			(23,150)	
Acquisition of Property	14,882			(975)	13,907
Acquisition of Development Rights	473,203			(473,203)	
Acquisition of an Interest in Fee in Real Property	180,000			(180,000)	
Improvements to Crabapple Road	(155,492)			155,492	
Preservation of Farm Land	304,373			(304,373)	
Various Improvements to the Grove at the Riegel Ridge Community Center	24,748			(10,712)	14,036
Preservation of Farm Land	283,650			(283,650)	
Various Upgrades & Improvements to Riegel Ridge Community Center	77,573			(24,843)	52,730
Various Road Improvements	17,095			(17,095)	
Improvement to Various Roads	726			(650)	76
Removal of Underground Fuel Tanks and Installation of an Above Ground Replacement Tank	2,051				2,051
Improvements to the Municipal Complex	8,998			(8,998)	

TOWNSHIP OF HOLLAND
ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

Description	Balance Dec. 31, 2012	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2013
Purchase of Various Computers	\$ 4,323			\$ (4,295)	\$ 28
Improvements to Rummel Road	44,130			(44,127)	3
Improvements to Ellis Road	35,027			25,726	60,753
Purchase of a Police Vehicle	1,279			(1,275)	4
Refurbishing of a Public Works Truck	35,164			(11,660)	23,504
Improvements to Riegel Ridge Community Center	167,200			(151,864)	15,336
Various Outdoor Improvements to the Riegle Ridge Community Center				12,745	12,745
Improvements to Various Roads				149,054	149,054
Improvements to the Municipal Complex				20,230	20,230
Purchase of Various Public Works Equipment				19,582	19,582
Purchase of Police Equipment				26,927	26,927
Preservation of Farm Land				492,377	492,377
Purchase of Real Property				56,510	56,510
	<u>\$ 3,788,877</u>	<u>\$ 1,495,253</u>	<u>\$ 2,049,802</u>	<u>\$ -</u>	<u>\$ 3,234,328</u>
<u>Ref.</u>	C	C-2	C-2		C

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ -
Increased by:			
Interest on Investments	C-2	\$ 3,927	
Receipts	C-2	<u>521,073</u>	
			<u>525,000</u>
Decreased by:			
2013 Municipal Budget Appropriations:			
Reserve for Capital Projects	C-10	165,000	
Capital Improvement Fund	C-9	<u>360,000</u>	
			<u>525,000</u>
Balance December 31, 2013	C		<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

Ord Date	Improvement Description	Balance 12/31/2012	2013 Authorization	2013 Budget Appropriation	Fund Balance Applied	Unexpended Balance Canceled	Balance 12/31/2013	Analysis of Balance Dec 31, 2013		
								Expendi- tures	Unexpended Improvement Authorizations	Bond Anticipation Notes
12/04/07	Improvements to Crabapple Road	\$ 155,492				\$ 155,492				
		<u>\$ 155,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Ref.</u>	C				C-1, C-11	C			

TOWNSHIP OF HOLLAND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2012		2013 Authorization	Paid or Charged	Over-expended	Unexpended Balance Canceled	Balance Dec 31, 2013	
	Date	Amount	Funded	Unfunded					Funded	Unfunded
Acquisition of Land	12/03/96	\$ 475,000	\$ 23,150					\$ 23,150		
Acquisition of Property	11/21/00	700,000	14,882			\$ 975			\$ 13,907	
Acquisition of Development Rights	05/04/04	540,000	473,203					473,203		
Acquisition of an Interest in Fee in Real Property	09/07/04	180,000	180,000					180,000		
Preservation of Farm Land	06/03/09	765,000	304,373					304,373		
Various Improvements to the Grove at the Riegel Comm Ctr	10/20/09	125,000	24,748			10,712			14,036	
Preservation of Farm Land	02/16/10	283,650	283,650			62,955		220,695		
Various Upgrades & Improvements to Riegel Ridge Comm Ctr	05/04/10	425,000	77,573			24,843			52,730	
Various Road Improvements	08/03/10	135,000	17,095			17,095				
Improvement to Various Roads	06/08/11	170,000	726			650			76	
Removal of Underground Fuel Tanks and Installation of an Above Ground Replacement Tank	10/04/11	50,000	2,051						2,051	
Improvements to the Municipal Complex	11/01/11	50,000	8,998			8,998				
Purchase of Various Computers	01/17/12	30,000	4,323			4,295			28	
Improvements to Rummel Road	06/19/12	170,000	44,130			44,127			3	
Improvements to Ellis Road	09/04/12	230,000	35,027			(25,726)			60,753	
Purchase of a Police Vehicle	08/21/12	40,000	1,279			1,275			4	
Refurbishing of a Public Works Truck	08/21/12	100,000	35,164			11,660			23,504	
Improvements to Riegel Ridge Community Center	08/21/12	175,000	167,200			151,864			15,336	
Various Outdoor Improvements to the Riegle Ridge Community Ctr	04/02/13	125,000			\$ 125,000	112,255			12,745	
Improvements to Various Roads	05/07/13	350,000			350,000	200,946			149,054	
Improvements to the Municipal Complex	05/07/13	50,000			50,000	29,770			20,230	
Purchase of Various Public Works Equipment	05/07/13	170,000			170,000	150,418			19,582	
Purchase of Police Equipment	05/07/13	50,000			50,000	23,073			26,927	
Preservation of Farm Land	05/07/13	550,000			550,000	57,623			492,377	
Purchase of Real Property	05/21/13	1,300,000			1,300,000	1,243,490			56,510	
			<u>\$ 1,697,572</u>	<u>\$ -</u>	<u>\$ 2,595,000</u>	<u>\$ 2,131,298</u>	<u>\$ -</u>	<u>\$ 1,201,421</u>	<u>\$ 959,853</u>	<u>\$ -</u>
	Ref.	C	C		Below	C-8		C-10	C	C
Analysis of 2013 Authorizations										
Capital Improvement Fund	C-9				\$ 300,000					
Fund Balance	C-1				120,000					
Reserve for Capital Projects	C-10				2,175,000					
					<u>\$ 2,595,000</u>					

TOWNSHIP OF HOLLAND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 227,961
Increased by:		
2013 Capital Charges	C-7	<u>2,131,298</u>
		2,359,259
Decreased by:		
Disbursements	C-2	<u>2,049,802</u>
Balance December 31, 2013	C	<u>\$ 309,457</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 134,183
Increased by:			
2013 Municipal Budget Appropriation	C-5	\$ 360,000	
Reimbursement of Completed Projects	C-2	<u>970,253</u>	
			<u>1,330,253</u>
			1,464,436
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-7		<u>300,000</u>
Balance December 31, 2013	C		<u>\$ 1,164,436</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Improvement Description	Balance 12/31/2012	Increased in 2013	Decreased in 2013	Balance 12/31/2013	
Park Construction	\$ 157,138		\$ 125,000	\$ 32,138	
Community Center Parking Lot	55,743			55,743	
Farmland/Open Space Acquisition	588,035		588,035		
Purchase of Land	452,231	\$ 1,239,456	1,300,000	391,687	
Road Leveling and Overlay	51,004		50,000	1,004	
Municipal Building	50,000		50,000		
Purchase of an Ambulance	45,000	15,000		60,000	
Purchase of a Fire Truck		50,000		50,000	
Purchase of Public Works Equipment	25,000	25,000	50,000		
Purchase of Police Equipment		50,000	50,000		
Community Center Upgrades	25,000	25,000		50,000	
	<u>\$ 1,449,151</u>	<u>\$ 1,404,456</u>	<u>\$ 2,213,035</u>	<u>\$ 640,572</u>	
	<u>Ref.</u>	C	Below	Below	C
Improvement Authorization Balances Canceled	C-7		\$ 1,201,421		
Internal Transfers	C-10		38,035		
2013 Budget Appropriations	C-5		165,000		
			<u>\$ 1,404,456</u>		
Appropriated to Finance Improvement Authorizations	C-7			\$ 2,175,000	
Internal Transfers	C-10			38,035	
				<u>\$ 2,213,035</u>	

TOWNSHIP OF HOLLAND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord Date</u>	<u>Improvement Description</u>	<u>Balance 12/31/2012</u>	<u>Increased in 2013</u>	<u>Decreased in 2013</u>	<u>Balance 12/31/2013</u>
12/04/07	Improvements to Crabapple Road	\$ 155,492		\$ 155,492	
		<u>\$ 155,492</u>	<u>\$ -</u>	<u>\$ 155,492</u>	<u>\$ -</u>
	<u>Ref.</u>	C		C-6	C

TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2013
SEWER UTILITY FUND

TOWNSHIP OF HOLLAND
SCHEDULE OF SEWER UTILITY FUND CASH-TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2012	D	\$ 235,546	\$ -
Increased by Receipts:			
Sewer Collector	D-6	\$ 407,000	
Interest on Deposits:	D-2	239	
Due from Sewer Operating	D-12		\$ 40,007
Due from Current Fund	D-18	4,890	
Nonbudget Revenue	D-2	50	
		<u>412,179</u>	<u>40,007</u>
		647,725	40,007
Decreased by Disbursements:			
2013 Budget Appropriations	D-3	321,486	
2012 Appropriation Reserves	D-13	13,401	
Due from Payroll Account	D-8	25,000	
Improvement Authorizations	D-19		29,073
Due to Sewer Capital Fund	D-17	40,000	
		<u>399,887</u>	<u>29,073</u>
Balance December 31, 2013	D; D-5	<u>\$ 247,838</u>	<u>\$ 10,934</u>

D-5

TOWNSHIP OF HOLLAND
SCHEDULE OF SEWER UTILITY FUND CASH AND RECONCILIATION
PER NJS 40A:5-5 TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2013	D-4	\$ 247,838	\$ 10,934
Increased by:			
Receipts		<u>125,032</u>	<u>1</u>
		372,870	10,935
Decreased by:			
Disbursements		<u>33,421</u>	<u>3,518</u>
Balance March 31, 2014		<u>\$ 339,449</u>	<u>\$ 7,417</u>
<u>Cash Reconciliation March 31, 2014</u>			
Balance Per Statement:			
Sun Bank		\$ 335,342	\$ 7,417
Add: Deposit in Transit		<u>4,107</u>	<u>-</u>
Book Balance		<u>\$ 339,449</u>	<u>\$ 7,417</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF SEWER UTILITY FUND CASH-COLLECTOR

	<u>Ref.</u>	<u>Operating Fund</u>
Balance December 31, 2012	D	\$ 27,776
Increased by Receipts:		
Consumer Accounts Receivable	D-9	\$ 389,464
Sewer Rent Overpayments	D-15	519
Prepaid Rents Received	D-16	446
Interest and Cost on Sewer Charges	D-2	1,635
Interest on Deposits	D-2	<u>45</u>
		<u>392,109</u>
		419,885
Decreased by Disbursements:		
Paid to Sewer Treasurer	D-4	<u>407,000</u>
Balance December 31, 2013	D; D-7	<u><u>\$ 12,885</u></u>

D-7

TOWNSHIP OF HOLLAND
SCHEDULE OF SEWER UTILITY FUND CASH AND RECONCILIATION
PER NJS 40A:5-5 COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2013	D-6	\$ 12,885
Increased by:		
Receipts		<u>131,936</u>
		144,821
Decreased by:		
Disbursements		<u>125,069</u>
Balance March 31,, 2014		<u><u>\$ 19,752</u></u>
<u>Cash Reconciliation March 31, 2014</u>		
Balance Per Statement:		
Sun Bank		<u><u>\$ 19,752</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 453
Increased by:		
Disbursements	D-4	25,000
		<u>25,453</u>
Decreased by:		
Budget Charges	D-3	12,892
		<u>12,892</u>
Balance December 31, 2013	D	<u>\$ 12,561</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 19,915
Increased by:		
User Fees Levied	Reserve	396,160
		<u>416,075</u>
Decreased by:		
Collections	D-6	\$ 389,464
Prepayments Applied	D-16	273
Balances Canceled	Reserve	44
		<u>389,781</u>
Balance December 31, 2013	D	<u>\$ 26,294</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF FIXED CAPITAL

Description	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2013
Sanitary Sewer System	D	<u>\$ 900,000</u>	<u>\$ 900,000</u>

TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

Purpose	Ordinance		Balance	Authorizations	Costs	Balance
	Date	Amount	Dec. 31, 2012		to Fixed Capital	Dec. 31, 2013
Improvement and Repairs to the Sewer Lines	6/19/2012	\$ 100,000	\$ 100,000			\$ 100,000
Replacement of the Gridley Circle Pump Station	8/6/2013	550,000		\$ 550,000		550,000
			<u>\$ 100,000</u>	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ 650,000</u>
		<u>Ref.</u>	D	D-19		D

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM SEWER OPERATING FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 142,860
Increased by:		
2013 Budget Appropriation	D-23	<u>10,000</u>
		152,860
Decreased by:		
Receipts	D-4	<u>40,007</u>
Balance December 31, 2013	D	<u><u>\$ 112,853</u></u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF 2012 APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 717	\$ 717		\$ 717	
Other Expenses	212	9,583	\$ 8,612	971	
Contribution to Milford Sewer	25,857	28,846	28,846		
Statutory Expenditures:					
Contribution to:					
Social Security System	88	88		88	
Unemployment Compensation Insurance	150	150		150	
	<u>\$ 27,024</u>	<u>\$ 39,384</u>	<u>\$ 37,458</u>	<u>\$ 1,926</u>	<u>\$ -</u>
<u>Ref.</u>	D	Below	Below	D-1	
Appropriation Reserves	D-13	\$ 27,024			
Encumbrances Payable	D-14	12,360			
		<u>\$ 39,384</u>			
Disbursements	D-4		\$ 13,401		
Encumbrances Payable	D-14		24,057		
			<u>\$ 37,458</u>		

TOWNSHIP OF HOLLAND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	12,360
Increased by:			
2013 Budget Charges	D-3	\$	4,519
2012 Appropriation Reserve Charges	D-13		<u>24,057</u>
			<u>28,576</u>
			40,936
Decreased by:			
Applied to 2012 Appropriation Reserves	D-13		<u>12,360</u>
Balance December 31, 2013	D	\$	<u><u>28,576</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF SEWER RENT OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	7
Increased by:			
Overpayments Received	D-6		<u>519</u>
Balance December 31, 2013	D	\$	<u><u>526</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF PREPAID SEWER RENTS

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	273
Increased by:			
Prepayments Received	D-6		446
			<u>719</u>
Decreased by:			
Applied to Consumer Accounts Receivable	D-9		273
			<u>273</u>
Balance December 31, 2013	D	\$	<u><u>446</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE TO SEWER CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	142,860
Increased by:			
2013 Budget Appropriation	D-3		10,000
			<u>152,860</u>
Decreased by:			
Disbursements	D-4	\$ 40,000	
Interest Earned	D-2	<u>7</u>	
			<u>40,007</u>
Balance December 31, 2013	D	\$	<u><u>112,853</u></u>

TOWNSHIP OF HOLLAND
SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 4,890
Decreased by:		
Receipts	D-4	<u>4,890</u>
Balance December 31, 2013	D	<u><u>\$ -</u></u>

TOWNSHIP OF HOLLAND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2012		2013 Authorization	Paid or Charged	Over-expended	Unexpended Balance Canceled	Balance Dec 31, 2013	
	Date	Amount	Funded	Unfunded					Funded	Unfunded
Improvement and Repairs to the Sewer Lines	06/19/12	\$ 100,000	\$ 83,815			\$ 8,110			\$ 75,705	
Replacement of the Gridley Circle Pump Station	08/06/13	550,000			\$ 550,000	20,963			6,537	\$ 522,500
			<u>\$ 83,815</u>	<u>\$ -</u>	<u>\$ 550,000</u>	<u>\$ 29,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,242</u>	<u>\$ 522,500</u>
	Ref.		D	D	Below	D-11			D	D
Capital Improvement Fund	D-23				\$ 27,500					
Bonds and Notes Authorized but not Issued	D-24				522,500					
					<u>\$ 550,000</u>					

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 900,000</u>
Balance December 31, 2013	D	<u><u>\$ 900,000</u></u>

TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	Authorizations	Transfer to Reserve for Amortization	Balance Dec. 31, 2013
Improvement and Repairs to the Sewer Lines	6/19/2012	\$ 100,000			\$ 100,000
Replacement of the Gridley Circle Pump Station	8/6/2013		\$ 27,500		27,500
		<u>\$ 100,000</u>	<u>\$ 27,500</u>	<u>\$ -</u>	<u>\$ 127,500</u>
	<u>Ref.</u>	D	D-23		D

TOWNSHIP OF HOLLAND
SCHEDULE OF RESERVE FOR ALTERATION OF SEWER SYSTEM

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 30,000
Balance December 31, 2013	D	<u>\$ 30,000</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 29,045
Increased by:		
2013 Budget Appropriation	D-12	<u>10,000</u>
		39,045
Decreased by:		
Appropriated to Finance Improvement Authorization	D-19	<u>27,500</u>
Balance December 31, 2013	D	<u>\$ 11,545</u>

TOWNSHIP OF HOLLAND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord Date</u>	<u>Improvement Description</u>	<u>Balance 12/31/2012</u>	<u>Increased in 2013</u>	<u>Decreased in 2013</u>	<u>Balance 12/31/2013</u>
8/6/2013	Replacement of the Gridley Circle Pump Station	\$ -	\$ 522,500		\$ 522,500
		<u>\$ -</u>	<u>\$ 522,500</u>	<u>\$ -</u>	<u>\$ 522,500</u>
	<u>Ref.</u>		C		C

TOWNSHIP OF HOLLAND

PART II

REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

May 30, 2014

Honorable Mayor and Members
of the Township Committee
Township of Holland
County of Hunterdon, 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, the regulatory basis financial statements of the various funds and account group as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township of Holland (the Municipality's) basic financial statements, and have issued our report thereon dated May 30, 2014, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

TOWNSHIP OF HOLLAND
 SCHEDULE OF FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

Purpose	Award Amount	Grant Period		Balance 12/31/2012	Receipts	Expended	Canceled	Balance 12/31/2013
		From	To					
Clean Communities Program	\$ 13,057	01/01/09	12/31/09	\$ 3,170		\$ 3,170		
Clean Communities Program	13,786	01/01/10	12/31/10	13,716		13,716		
Clean Communities Program	13,786	01/01/11	12/31/11	13,786		13,786		
Clean Communities Program	13,532	01/01/12	12/31/12	13,246	\$ 286	13,532		
Clean Communities Program	14,972	01/01/13	12/31/13		14,972	11,921		\$ 3,051
Storm Water Management Grant	3,750	01/01/05	12/31/05	3,048		(351)		3,399
Storm Water Management Grant	6,250	01/01/06	12/31/06	6,250				6,250
Recycling Tonnage Grant	10,777	01/01/12	12/31/12		10,777	8,420		2,357
Recycling Tonnage Grant	12,790	01/01/13	12/31/13		12,790			12,790
Historical Commission Book Grant	1,000	01/01/04	12/31/04	90		90		-
Body Armor Grant	1,158	01/01/12	12/31/12	1,158		959		199
Body Armor Grant	1,318	01/01/13	12/31/13		1,318			1,318
Uniform Fire Code Violations	375	01/01/08	12/31/08	375				375
Highlands Grant-First	100,000	01/01/11	12/31/11	(3,092)	3,941	5,909		(5,060)
Highlands Grant-Second	174,100	01/01/11	12/31/11					
Geon Energy Grant	500	01/01/11	12/31/11	500		491		9
Geon Energy Grant	500	01/01/12	12/31/12	500				500
Geon Energy Grant	750	01/01/13	12/31/13		750			750
Emergency Management Grant	5,000	01/01/12	12/31/12	5,000		5,000		
FEMA Shelter Grant	29,981	01/01/13	12/31/13		29,981	418		29,563
FEMA HMGP	112,000	01/01/13	12/31/13					
NJ Forestry Grant	3,000	01/01/13	12/31/13					
NJ Historical Grant	4,494	01/01/13	12/31/13		4,494	4,494		
				<u>\$ 57,747</u>	<u>\$ 79,309</u>	<u>\$ 81,555</u>	<u>\$ -</u>	<u>\$ 55,501</u>

TOWNSHIP OF HOLLAND

PART III

STATISTICAL DATA

INSURANCE SCHEDULE

LIST OF OFFICIALS

GENERAL COMMENTS

RECOMMENDATIONS

TOWNSHIP OF HOLLAND
STATISTICAL DATA

TOWNSHIP OF HOLLAND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-CURRENT FUND
STATISTICAL DATA

	2013		2012	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,807,655	8.72	\$ 1,884,833	9.12
Miscellaneous-From Other Than Local Property Tax Levied	4,283,827	20.66	3,855,402	18.65
Collection of Delinquent Taxes & Tax Title Liens	177,833	0.86	224,006	1.08
Collection of Current Tax Levy	<u>14,461,715</u>	<u>69.76</u>	<u>14,704,177</u>	<u>71.14</u>
Total Income	<u>20,731,030</u>	<u>100.00</u>	<u>20,668,418</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	5,085,144	25.42	4,906,621	24.71
County Taxes	2,503,665	12.52	2,635,890	13.27
Local School Taxes	8,464,735	42.32	8,298,760	41.78
Regional School Taxes	3,868,105	19.34	3,979,402	20.04
Other Expenditures	<u>80,249</u>	<u>0.40</u>	<u>40,021</u>	<u>0.20</u>
Total Expenditures	<u>20,001,898</u>	<u>100.00</u>	<u>19,860,694</u>	<u>100.00</u>
Excess in Revenue	729,132		807,724	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above which are by Statute				
Deferred Charges to Budget of Succeeding Years:				
Special Emergency Authorization	139,000			
Overexpenditure of Budget Appropriation			<u>239</u>	
Regulatory Excess to Fund Balance	868,132		807,963	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>3,621,364</u>		<u>4,698,234</u>	
	4,489,496		5,506,197	
Less: Utilization as Anticipated Revenue	<u>1,807,655</u>		<u>1,884,833</u>	
Fund Balance December 31,	<u>\$ 2,681,841</u>		<u>\$ 3,621,364</u>	

TOWNSHIP OF HOLLAND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-SEWER UTILITY
 STATISTICAL DATA

	2013		2012	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 50,000	11.27	\$ 50,000	11.36
Miscellaneous-From Other Than Sewer Service Charges	3,902	0.88	3,546	0.81
Collection of Sewer Service Charges	<u>389,737</u>	<u>87.85</u>	<u>386,587</u>	<u>87.83</u>
Total Income	<u>443,639</u>	<u>100.00</u>	<u>440,133</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	388,850	97.21	388,850	97.21
Capital Improvements	10,000	2.50	10,000	2.50
Deferred Charges & Statutory Expenditures	<u>1,150</u>	<u>0.29</u>	<u>1,150</u>	<u>0.29</u>
Total Expenditures	<u>400,000</u>	<u>100.00</u>	<u>400,000</u>	<u>100.00</u>
Statutory Excess to Fund Balance	43,639		40,133	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>86,141</u>		<u>96,008</u>	
	129,780		136,141	
Less: Utilization as Anticipated Revenue	<u>50,000</u>		<u>50,000</u>	
Fund Balance December 31,	<u>\$ 79,780</u>		<u>\$ 86,141</u>	

TOWNSHIP OF HOLLAND
STATISTICAL DATA
(Continued)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Year	Apportionment					Total Tax Rate
	Municipal Open Space	Municipal	County	Local School	Regional High School	
2013	-	-	\$ 0.33	\$ 1.11	\$ 0.51	\$ 1.95
2012	-	-	0.35	1.08	0.52	1.95
2011	-	-	0.35	1.09	0.53	1.97
2010	-	-	0.37	1.08	0.50	1.95
2009	-	-	0.37	1.05	0.50	1.92
2008	-	-	0.37	1.00	0.48	1.85
2007	-	-	0.38	0.99	0.46	1.83
2006	-	-	0.38	0.96	0.46	1.80
2005*	-	-	0.38	0.88	0.42	1.68
2004	-	-	0.44	1.00	0.49	1.93

* Revalued/Reassessed

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Year	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2013	\$ 763,875,389	\$ 691,448,812	110.47%
2012	767,128,401	783,944,071	97.85%
2011	770,225,050	783,944,701	98.25%
2010	771,939,817	832,100,698	92.77%
2009	770,397,199	830,689,491	92.74%
2008	770,110,821	854,549,495	90.12%
2007	767,370,480	876,204,072	87.58%
2006	761,780,537	808,243,008	94.25%
2005*	762,806,228	759,926,653	100.38%
2004	620,287,282	656,913,449	94.42%

* Revalued/Reassessed

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

Year	Tax Levy	Cash Collections	Percentage of Collections
2013	\$ 14,846,969	\$ 14,461,715	97.41%
2012	14,931,139	14,704,177	98.48%
2011	15,216,041	14,971,324	98.39%
2010	15,104,272	14,801,704	98.00%
2009	14,783,316	14,476,124	97.92%
2008	14,326,777	13,990,030	97.65%
2007	14,126,824	13,825,854	97.87%
2006	13,824,703	13,489,252	97.57%
2005	12,945,989	12,659,114	97.78%
2004	12,270,594	11,936,109	97.27%

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

TOWNSHIP OF HOLLAND
 STATISTICAL DATA
 (Continued)

ASSESSED VALUES DISTRIBUTION

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property
2004	\$ 15,662,100	\$ 504,186,100	\$ 587,900	\$ 14,981,200	\$ 54,844,500	\$ 27,813,300	\$ 618,075,100
2005 (1)	19,866,700	631,566,600	409,900	16,210,700	66,550,900	26,004,800	760,609,600
2006	18,740,600	637,852,300	409,900	16,221,100	68,918,700	17,736,700	759,879,300
2007	15,993,100	646,038,300	409,900	16,192,600	69,134,100	17,736,700	765,504,700
2008	13,910,600	644,816,900	409,900	16,192,600	75,148,600	17,716,700	768,195,300
2009	13,960,200	646,967,000	409,900	16,150,100	76,476,600	14,480,500	768,444,300
2010	13,623,600	646,506,300	409,900	16,302,400	78,550,200	14,480,500	769,872,900
2011	12,898,800	646,373,000	409,900	16,202,400	78,375,700	14,026,400	768,286,200
2012	11,043,000	646,768,800	409,900	16,745,200	77,067,200	13,145,500	765,179,600
2013	10,255,300	643,244,500	409,900	16,745,200	78,403,100	13,145,500	762,203,500

(1) Revalued/Reassessed

DELINQUENT TAXES AND TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2004	\$ 242,707	\$ 306,929	\$ 549,636	4.48%
2005	255,137	267,419	522,556	4.04%
2006	273,909	305,402	579,311	4.19%
2007	298,879	288,114	586,993	4.16%
2008	320,805	262,317	583,122	4.07%
2009	343,477	275,033	618,510	4.18%
2010	350,834	277,313	628,147	4.16%
2011	365,631	222,757	588,388	3.98%
2012	373,879	176,231	550,110	3.68%
2013	91,392	228,425	319,817	2.10%

TOWNSHIP OF HOLLAND
STATISTICAL DATA
(Continued)

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired by liquidation of tax title liens on December 31.

COMPARISON OF SEWER UTILITY LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$ 396,160	\$ 389,737	98.38%
2012	388,007	386,587	99.63%
2011	388,490	388,066	99.89%
2010	351,840	355,887	101.15%
2009	351,840	351,917	100.02%
2008	380,770	367,403	96.49%
2007	233,908	234,239	100.14%
2006	164,331	168,279	102.40%
2005	163,774	163,603	99.90%
2004	163,720	163,438	99.83%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2013	\$ 2,681,841	\$ 1,346,453
	2012	3,621,364	1,807,654
	2011	4,698,234	1,884,883
	2010	5,722,723	1,744,520
	2009	6,890,854	1,800,000
	2008	7,602,591	1,700,000
	2007	8,538,576	1,750,000
	2006	9,035,879	2,000,000
	2005	9,496,373	2,000,000
	2004	8,830,174	1,900,000
Sewer Utility	2013	79,780	35,200
	2012	86,141	50,000
	2011	96,008	50,000
	2010	74,801	21,540
	2009	35,261	-
	2008	97	-
	2007	97	-
	2006	19,997	19,900
	2005	12,635	12,600
	2004	19,704	19,600

TOWNSHIP OF HOLLAND
 SCHEDULE OF INSURANCE
 YEAR ENDED DECEMBER 31, 2013
 (Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
General and Auto Liability-Statewide Insurance Fund	\$ 10,000,000	
Public Officials Liability-Statewide Insurance Fund	6,000,000	\$ 10,000
Police Professional Liability-National Casualty Company	6,000,000	10,000
Workers Compensation-Statewide Insurance Fund	2,000,000	
Package Policy-Statewide Insurance Fund: Property-Buildings & Contents (Policy Limit)	150,000,000	1,000
Excess General Liability-Statewide Insurance Fund	5,000,000	
Crime Coverage-Statewide Insurance Fund	1,000,000	5,000
Public Employees Faithful Performance: Selective Insurance Co.:		
Tax and Sewer Collector	200,000	

Adequacy of Insurance Coverage is the Responsibility of the Municipality.

TOWNSHIP OF HOLLAND
LIST OF OFFICIALS

OFFICIALS IN OFFICE

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

<u>Name</u>	<u>Title</u>
Daniel Bush	Mayor
Anthony Roselle	Deputy Mayor
Raymond Krov	Committeeperson
Thomas Scheibener	Committeeperson
Kenneth R. Vogel	Committeeperson

* * * * *

<u>Name</u>	<u>Title</u>
Catherine Miller	Municipal Clerk
Edward P Rees	Treasurer & Chief Financial Officer
Susan Luthringer	Tax Collector (To 07/01/13)
Kay Winzenried	Tax Collector (From 07/01/13)
Michelle Trivigno	Assessor
Gebhart & Kiefer	Attorney
Maser Consulting	Engineer
Elizabeth McKenzie	Planner

TOWNSHIP OF HOLLAND
GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate, (\$17,000 effective July 1, 2011) except by contract or agreement."

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

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

Fuel Oil
2014 Ford F550
Tractor and Mower
Revaluation of Real Property
Charles Road Drainage Project
Community Center Terrace Project
Community Center Security System
Reconstruction Rummel Road Phase II
Community Center Grove Fence Project
Community Center Court Reconstruction
Municipal Building Heating Cooling System

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

Auditor
Architect
Engineer
Appraiser
Insurance Agent
Municipal Attorney
Planning Consultant
Planning Board Attorney
Board of Adjustment Attorney
Highlands and COAH Advisors

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

From our examination of expenditures, it appears that there were no individual payments, contracts or agreements in excess of the statutory bid limit "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

TOWNSHIP OF HOLLAND
GENERAL COMMENTS
(Continued)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

On January 1, 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held on December 4, 2013 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2013	1
2012	11
2011	11

CONTROL DEFICIENCIES

Segregation of Duties-The Municipality does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. This is due to the limited number of personnel of the Municipality. Accordingly, management of the Municipality should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We do not believe that the significant deficiencies described above are to be considered material weaknesses.

TOWNSHIP OF HOLLAND
GENERAL COMMENTS
(Continued)

OTHER COMMENTS

1. Animal Control Fund:
 - a. Deposits were not made within 48 hours of receipt as required by state statute.
2. Payroll:
 - a. Forms W-4 and I-9 not evident for all appropriate individuals.
3. Municipal Expenditures-The review of expenditures reflected the following:
 - a. Business registration forms were not evident for all appropriate vendors.

TOWNSHIP OF HOLLAND
RECOMMENDATIONS

It is recommended that:

1. All officials receiving funds are to be advised of the statutory requirement that deposits are to be made within 48 hours of receipt.
2. Business registration forms are to be received from all appropriate vendors.
3. Federal employment forms are to be evident for all employees.

STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on prior year recommendations and corrective action was taken on all except for the following:

1. All officials receiving funds are to be advised of the statutory requirement that deposits are to be made within 48 hours of receipt.
2. Business registration forms are to be received from all appropriate vendors.
3. Federal employment forms are to be evident for all employees.

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report dated May 30, 2014.

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

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



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68