

TOWNSHIP OF HOLLAND  
COUNTY OF HUNTERDON  
REPORT OF AUDIT  
YEAR 2014

TOWNSHIP OF HOLLAND  
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**TOWNSHIP OF HOLLAND**  
**PART I**  
**REPORT OF EXAMINATION OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY DATA**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

May 22, 2015

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, 2014 and 2013, 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, 2014, 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, 2014 and 2013, 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, 2014 and 2013, 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, 2014 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.

## 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 22, 2015 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, 2014	Balance Dec. 31, 2013
<b>ASSETS</b>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 8,672,371	\$ 8,986,165
Collector	A-6	444,454	99,800
Change Funds	A-8	800	350
Due from State of NJ Veterans' & Senior Citizens' Deductions	A-19	1,257	
		<u>9,118,882</u>	<u>9,086,315</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	246,952	228,425
Tax Title Liens Receivable	A-10	91,392	91,392
Property Acquired for Taxes-Assessed Valuation	A-11	359,300	424,300
Revenue Accounts Receivable	A-12	611	864
Due from Animal Control Fund	A-13	9	
		<u>698,264</u>	<u>744,981</u>
Deferred Charges:			
Special Emergency Authorizations	A-14	111,200	139,000
		<u>111,200</u>	<u>139,000</u>
		<u>9,928,346</u>	<u>9,970,296</u>
Federal & State Grant Fund:			
Cash	A-4	89,112	56,459
Due from Regular Fund	A-15	923	
Grant Funds Receivable	A-16	299,083	299,083
		<u>389,118</u>	<u>355,542</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 10,317,464</u></u>	<u><u>\$ 10,325,838</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-17	\$ 500,805	\$ 412,199
Encumbrances Payable	A-18	64,298	149,863
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-19		2,385
Due to Clearing Account	A-20	2,122	
Due to Payroll Account	A-21	15,655	24,242
Due to Other Trust Funds	A-22	61,760	49,300
Due to General Capital Fund	A-23	588,012	
Due to Federal and State Grant Fund	A-24	923	
Prepaid Taxes	A-25	69,025	77,067
Tax Overpayments	A-26	9,707	2,543
Regional High School Taxes Payable	A-27	1,501,990	1,522,075
Local School Tax Payable	A-28	4,317,014	4,232,367
County Tax Payable	A-29	720	2,133
Due to County and State-License Fees	A-30	150	100
Reserve for Tax Appeals	A-31	12,800	
Reserve for Veterans Day Celebration	A-32	200	200
Reserve for Revaluation	A-33	65,158	69,000
		<u>7,210,339</u>	<u>6,543,474</u>
Reserve for Receivables	A	698,264	744,981
Fund Balance	A-1	2,019,743	2,681,841
		<u>9,928,346</u>	<u>9,970,296</u>
Federal & State Grant Fund:			
Appropriated Reserves for State Grants	A-34	335,641	338,325
Unappropriated Reserve for State Grants	A-35	35,620	16,259
Encumbrances Payable	A-36	17,857	958
		<u>389,118</u>	<u>355,542</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 10,317,464</u></u>	<u><u>\$ 10,325,838</u></u>

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

	Ref.	For the Year Ending	
		Dec. 31, 2014	Dec. 31, 2013
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,346,453	\$ 1,807,655
Miscellaneous Revenue Anticipated	A-2	3,285,318	3,425,192
Receipts from Delinquent Taxes	A-2	228,425	177,833
Receipts from Current Taxes	A-2	15,274,053	14,461,715
Nonbudget Revenue	A-2	80,019	189,743
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	356,602	621,732
Tax Overpayments Canceled	A-26	228	111
Interfunds Returned-Net			47,049
Total Income		<u>20,571,098</u>	<u>20,731,030</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,870,750	1,804,150
Other Expenses	A-3	2,185,746	2,399,469
Capital Improvements	A-3	525,000	525,000
Deferred Charges & Statutory Expenditures	A-3	376,412	356,525
County Taxes	A-29	2,466,144	2,501,532
County Share of Added Taxes	A-29	720	2,133
Regional High School Taxes	A-27	3,827,933	3,868,105
Local District School Taxes	A-28	8,634,029	8,464,735
Interfunds Advanced	A-2	9	
Prior Year Senior Citizens Deduction Denied			1,000
Grants Receivable Adjustment			79,249
Total Expenditures		<u>19,886,743</u>	<u>20,001,898</u>
Excess in Revenue		684,355	729,132
Adjustments to Income Before Fund Balance:			
Expenditures Included Above which are by Statute			
Deferred Charges to Budget of Succeeding Years:			
Overexpenditure of Budget Appropriation			
Special Emergency Authorization			
		-	139,000
Regulatory Excess to Fund Balance		684,355	868,132
<b>FUND BALANCE</b>			
Balance January 1,	A	<u>2,681,841</u>	<u>3,621,364</u>
Decreased by:		3,366,196	4,489,496
Utilized as Anticipated Revenue	A-2	<u>1,346,453</u>	<u>1,807,655</u>
Balance December 31,	A	<u>\$ 2,019,743</u>	<u>\$ 2,681,841</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	A-1	\$ 1,346,453	\$ -	\$ 1,346,453	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-12	5,000		5,376	376
Fines and Costs:					
Municipal Court	A-12	15,000		14,371	(629)
Interest & Cost on Taxes	A-6	44,000		57,296	13,296
Interest on Investments and Deposits	A-2	14,000		9,752	(4,248)
Swimming Pool Fees	A-12	110,000		97,085	(12,915)
Rieggle Ridge Community Center Fees	A-12	320,000		328,109	8,109
Snack Bar Fees	A-12	25,000		22,664	(2,336)
Recreation Committee Activities	A-12	3,500		3,883	383
Energy Receipts Tax	A-12	2,560,832		2,560,832	
Supplemental Energy Receipts Tax	A-12	128,650		128,650	
Garden State Trust Fund	A-12	21,453		21,453	
Recycling Tonnage Grant	A-16	12,790		12,790	
Clean Communities Program-Prior	A-16	1,400		1,400	
Clean Communities Program-2014	A-16		14,588	14,588	
Emergency Management Grant	A-16		5,000	5,000	
Body Armor Grant	A-16	1,318		1,318	
FEMA Shelter Grant	A-16	750		750	
	A-1	3,263,693	19,588	3,285,318	2,037
Receipts from Delinquent Taxes	A-1,A-2	175,000		228,425	53,425
Property Tax for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	596,579		788,632	192,053
Budget Totals		5,381,725	19,588	5,648,828	\$ 247,515
Nonbudget Revenues	A-1,A-2			80,019	
		\$ 5,381,725	\$ 19,588	\$ 5,728,847	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF REVENUES REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>			
Tax Collections	A-1;A-9			\$ 15,286,853
Allocated to:				
Local District School Taxes	A-9	\$ 8,634,029		
Regional High School Taxes	A-9	3,827,933		
County Taxes	A-9	<u>2,466,864</u>		
				<u>14,928,826</u>
Balance for Support of Municipal Budget Appropriations				358,027
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3			<u>443,405</u>
				801,432
Less: Reserve for Tax Appeals	A-1:A-31			<u>12,800</u>
Realized for Support of Municipal Budget	A-2			<u>\$ 788,632</u>
<u>Delinquent Tax Collections</u>				
Taxes Receivable	A-9			<u>\$ 228,425</u>
<u>Interest on Investments</u>				
Treasurer	A-4			\$ 5,016
Tax Collector	A-6			806
Federal and State Grant Fund	A-24			77
Other Trust Fund	A-22			127
General Capital Fund	A-23			<u>3,726</u>
Total	A-2			<u>\$ 9,752</u>
<u>Interfund Analysis</u>				
Due from Animal Control Fund	A-13	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9</u>
	A-1	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 9</u>

TOWNSHIP OF HOLLAND  
STATEMENT OF REVENUES REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Analysis of Nonbudget Revenue	Ref.		
Treasurer:			
Cell Tower Rent		\$ 11,953	
Other Rents		1,600	
Cable TV Franchise Fee		16,924	
Clerk Other Licenses & Fees		339	
Perc Test Fees		2,250	
Recycling Receipts		7,544	
Planning Board & Board of Adjustment		9,275	
Zoning Receipts		10,502	
Road Openings & Driveway Permits		550	
Food Licenses		3,600	
Property Lists		230	
Police Fees		224	
Veterans' & Seniors Citizens'-Administrative Fees		1,402	
Miscellaneous Other		1,338	
Refunds			
OPRA Fees		106	
Burial Permits		4,290	
Sale of History Books			
Insurance Proceeds		2,354	
Refunds		12,812	
Police Outside Services		4,122	
Disbursement Adjustments		(13,178)	
	A-4		\$ 78,237
Tax Collector:			
Miscellaneous Fees		81	
Cost of Tax Sale		1,200	
	A-6		1,281
Treasurer			
Sale of Property Acquired for Taxes	A-4		501
	A-2		\$ 80,019

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	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	37,387	\$ 2,613		
Municipal Clerk:						
Salaries and Wages	102,500	102,500	95,602	6,898		
Miscellaneous Other Expenses	25,000	25,000	18,032	6,968		
Financial Administration:						
Salaries and Wages	65,000	65,000	53,448	11,552		
Other Expenses	25,000	35,000	32,055	2,945		
Audit Services	18,000	18,000	18,000			
Assessment of Taxes:						
Salaries and Wages	38,000	38,000	37,214	786		
Other Expenses	5,000	5,000	1,736	3,264		
Revenue Administration:						
Salaries and Wages	26,000	26,000	24,970	1,030		
Other Expenses	6,000	9,500	6,654	2,846		
Legal Services and Costs:						
Other Expenses	140,000	140,000	99,179	40,821		
Engineering Services & Costs:						
Other Expenses	20,000	20,000	10,432	9,568		
Municipal Court:						
Salaries and Wages	14,000	17,500	17,451	49		
Other Expenses	9,200	9,200	9,200			
Municipal Prosecutor:						
Salaries and Wages	7,300	7,300	7,218	82		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 61,750	\$ 55,150	\$ 54,731	\$ 419		
Other Expenses	120,000	141,600	139,451	2,149		
Land Use Administration:						
Planning Board:						
Salaries and Wages	12,500	17,500	14,251	3,249		
Other Expenses	38,000	35,000	23,930	11,070		
Zoning Board of Adjustment:						
Salaries and Wages	26,500	26,500	21,466	5,034		
Other Expenses	10,000	8,000	6,946	1,054		
Public Safety:						
Fire:						
Other Expenses	23,500	23,500	10,380	13,120		
Aid to Volunteer Fire Company	70,000	70,000	70,000			
Police:						
Salaries and Wages	634,000	634,000	560,954	73,046		
Other Expenses	60,000	60,000	47,019	12,981		
First Aid Organization-Contribution	70,000	70,000	64,427	5,573		
Office of Emergency Management:						
Salaries and Wages	6,800	6,800	6,463	337		
Other Expenses	10,000	10,000	7,076	2,924		
Public Defender:						
Salaries and Wages	1,300	1,300	1,273	27		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 474,000	\$ 462,000	\$ 419,558	\$ 42,442		
Other Expenses	220,300	220,300	216,233	4,067		
Snow Removal:						
Other Expenses	65,000	65,000	54,828	10,172		
Environmental Commission-Recycling:						
Salaries and Wages	30,000	30,000	18,678	11,322		
Other Expenses	22,500	22,500	11,595	10,905		
Health and Human Services:						
Board of Health:						
Salaries and Wages	1,500	1,500	1,027	473		
Other Expenses	2,900	2,900	1,800	1,100		
Environmental Health Services:						
Other Expenses	3,000	3,000	2,800	200		
Animal Control:						
Other Expenses	15,000	15,000	15,000			
Parks and Recreation:						
Recreation Committee:						
Salaries and Wages	1,500	1,500	1,037	463		
Other Expenses	10,000	10,000	8,373	1,627		
Riegel Ridge Community Center:						
Salaries and Wages	273,000	266,000	260,409	5,591		
Other Expenses	155,000	165,000	162,346	2,654		
Swimming Pool:						
Salaries and Wages	75,000	75,000	73,395	1,605		
Other Expenses	46,000	43,000	23,346	19,654		
Snack Bar:						
Salaries and Wages	15,000	15,000	10,755	4,245		
Other Expenses	25,000	25,000	14,038	10,962		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 1,100	\$ 1,100	\$ 866	\$ 234		
Other Expenses	7,000	7,000	3,032	3,968		
Agriculture Advisory Committee:						
Salaries and Wages	1,100	1,100		1,100		
Other Expenses	11,400	11,400	1,910	9,490		
Insurance:						
Worker's Compensation Insurance	65,000	65,000	58,956	6,044		
Group Insurance Plan for Employees	330,000	310,000	282,017	27,983		
General Liability Insurance	130,000	130,000	121,400	8,600		
Utilities:						
Electricity	85,000	85,000	81,058	3,942		
Street Lighting	55,000	55,000	33,437	21,563		
Telephone	28,000	28,000	25,096	2,904		
Fuel Oil	20,000	20,000	12,644	7,356		
Gasoline and Diesel	65,000	65,000	41,794	23,206		
Natural Gas	22,000	22,000	21,569	431		
Dumpster	30,000	30,000	19,096	10,904		
Total Operations Within "CAPS"	3,990,650	3,990,650	3,515,038	475,612	\$ -	\$ -
Contingent						
Total Operations Includ Cont Within "CAPS"	3,990,650	3,990,650	3,515,038	475,612	-	-
Detail:						
Salaries and Wages	1,887,850	1,870,750	1,700,766	169,984	-	-
Other Expenses (Including Contingent)	2,102,800	2,119,900	1,814,272	305,628	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Deferred Charges & Statutory Expenditures:						
Deferred Charges:						
Special Emergency Authorizations-5 years	\$ 27,800	\$ 27,800	\$ 27,800			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	76,623	76,623	76,623			
Social Security System (OASI)	150,000	150,000	129,771	\$ 20,229		
Police & Firemen's Retirement System	107,489	107,489	107,489			
DCRP Contribution	5,000	5,000	625	4,375		
Unemployment Insurance	9,500	9,500	8,911	589		
Total Deferred Charges & Statutory Expend- Municipal Within "CAPS"	<u>376,412</u>	<u>376,412</u>	<u>351,219</u>	<u>25,193</u>	\$ -	\$ -
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>4,367,062</u>	<u>4,367,062</u>	<u>3,866,257</u>	<u>500,805</u>	-	-
Operations Excluded from "CAPS":						
Other Operations Excluded from "CAPS":						
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, 2014  
(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	\$ 12,790	\$ 12,790	\$ 12,790			
Clean Communities Program:						
Other Expenses	1,400	15,988	15,988			
Emergency Management Grant:						
Other Expenses		5,000	5,000			
Body Armor Grant:						
Other Expenses	1,318	1,318	1,318			
FEMA Shelter Grant:						
Other Expenses	750	750	750			
Total Operations Excluded from "CAPS"	<u>46,258</u>	<u>65,846</u>	<u>65,846</u>	\$ -	\$ -	\$ -
Detail:						
Other Expenses	<u>46,258</u>	<u>65,846</u>	<u>65,846</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	75,000	75,000	75,000			
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>	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 571,258	\$ 590,846	\$ 590,846	\$ -	\$ -	\$ -
Subtotal General Appropriations	4,938,320	4,957,908	4,457,103	500,805	-	-
Reserve for Uncollected Taxes	443,405	443,405	443,405	-	-	-
<b>Total General Appropriations</b>	<b>\$ 5,381,725</b>	<b>\$ 5,401,313</b>	<b>\$ 4,900,508</b>	<b>\$ 500,805</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Ref.</u>	A-2	A-3	A-1;A-3	A;A-1		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Ref.</u>	
<u>Paid or Charged</u>		
Cash Disbursed	A-4	\$ 2,515,263
Due from Payroll Account	A-21	1,292,413
Encumbrances Payable	A-18	28,487
Due to Clearing Account	A-20	56,792
Reserve for Uncollected Taxes	A-2	443,405
Due to General Capital Fund	A-23	525,000
Deferred Charges	A-14	27,800
Appropriated Reserve for State Grants	A-34	<u>35,846</u>
		4,925,006
Less: Refunds	A-4	<u>24,498</u>
	A-3	<u>\$ 4,900,508</u>
 <u>Appropriations</u>		
Budget	A-2	\$ 5,381,725
Added by NJSA 40A:4-87	A-2	<u>19,588</u>
	A-3	<u>\$ 5,401,313</u>

TOWNSHIP OF HOLLAND  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
TRUST FUND

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>ASSETS</b>			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 13,471	\$ 3,387
		<u>13,471</u>	<u>3,387</u>
Other Trust Funds:			
Cash-Treasurer	B-1	580,442	429,307
Loans Receivable	B-8	400,280	293,691
Interfunds Receivable	B-16	66,488	49,300
		<u>1,047,210</u>	<u>692,771</u>
<b>TOTAL ASSETS</b>		<u>\$ 1,060,681</u>	<u>\$ 696,158</u>
<b>LIABILITIES AND RESERVES</b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-5	\$ 11,021	\$ 3,371
Reserve for Encumbrances	B-7	1,590	
Due to Payroll	B-3	840	
Due to State of New Jersey	B-4	11	16
Due to Current Fund	B-6	9	
		<u>13,471</u>	<u>3,387</u>
Other Trust Funds:			
Reserve for Escrow Funds	B-9	248,294	157,023
Reserve for Small Cities Revolving Loan	B-10	475,858	362,906
Reserve for Recreational and Community Services	B-11	1,497	1,495
Reserve for Development Fees	B-12	4,669	1,776
Reserve for Tax Sale Premiums	B-13	74,200	91,400
Reserve for Snow Removal	B-14	52,571	52,571
Reserve for First Aid Squad	B-15	25,600	25,600
Reserve for Clearing Account	B-17	2,612	54,670
Reserve for Payroll Account	B-18	32,078	24,857
Reserve for Future Legal Expenses	B-19	15,010	
Reserve for Performance Bond	B-20	114,817	
Reserve for POAA	B-21	4	
		<u>1,047,210</u>	<u>692,771</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 1,060,681</u>	<u>\$ 696,158</u>

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

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>ASSETS</b>			
Cash	C-2	\$ 2,564,564	\$ 3,234,328
Due from Current Fund	C-5	588,012	
Due from Clearing Account	C-6	6	
<b>TOTAL ASSETS</b>		<b>\$ 3,152,582</b>	<b>\$ 3,234,328</b>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Improvement Authorizations:			
Funded	C-7	\$ 730,461	\$ 959,853
Encumbrances Payable	C-8	553,150	309,457
Capital Improvement Fund	C-9	1,079,392	1,164,436
Reserve for Capital Projects	C-10	629,569	640,572
Fund Balance	C-1	160,010	160,010
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 3,152,582</b>	<b>\$ 3,234,328</b>

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

	Ref.	For the Year Ending	
		Dec. 31, 2014	Dec. 31, 2013
Balance January 1	C	\$ 160,010	\$ 435,502
Decreased by:			
Appropriated to Finance Improvement Authorizations			(120,000)
Appropriated to Finance Deferred Charges			(155,492)
Balance December 31	C	<u>\$ 160,010</u>	<u>\$ 160,010</u>

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

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<b>ASSETS</b>			
Operating Fund:			
Cash:			
Treasurer	D-4	\$ 132,131	\$ 247,838
Collector	D-6	4,443	12,885
Due from Payroll Account	D-8	9,554	12,561
		<u>146,128</u>	<u>273,284</u>
Receivables with Full Reserves:			
Sewer Service Charges Receivable	D-9	39,192	26,294
Total Operating Fund		<u>185,320</u>	<u>299,578</u>
Capital Fund:			
Cash:			
Treasurer	D-4	636,801	10,934
Fixed Capital	D-10	900,000	900,000
Fixed Capital Authorized and Uncompleted	D-11	650,000	650,000
Due from Sewer Operating Fund	D-12	7,560	112,853
Total Capital Fund		<u>2,194,361</u>	<u>1,673,787</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 2,379,681</u></u>	<u><u>\$ 1,973,365</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;D-13	\$ 13,677	\$ 51,103
Encumbrances Payable	D-14	308	28,576
Sewer Rent Overpayments	D-15	306	526
Prepaid Sewer Rents	D-16	428	446
Accrued Interest on Notes	D-17	668	
Due to Sewer Capital Fund	D-18	7,560	112,853
		<u>22,947</u>	<u>193,504</u>
Reserve for Receivables	D	39,192	26,294
Fund Balance	D-1	123,181	79,780
Total Operating Fund		<u>185,320</u>	<u>299,578</u>
Capital Fund:			
Bond Anticipation Note Payable	D-24	522,500	
Improvement Authorizations	D-19	592,816	604,742
Reserve for Amortization	D-20	900,000	900,000
Deferred Reserve for Amortization	D-21	127,500	127,500
Reserve for Alteration of Sewer System	D-22	30,000	30,000
Capital Improvement Fund	D-23	21,545	11,545
Total Capital Fund		<u>2,194,361</u>	<u>1,673,787</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,379,681</u>	<u>\$ 1,973,365</u>
Bonds and Notes Authorized But Not Issued	D-25	<u>\$ -</u>	<u>\$ 522,500</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	For the Year Ending	
		Dec. 31, 2014	Dec. 31, 2013
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	D-2	\$ 35,200	\$ 50,000
Sewer Service Charges	D-2	420,113	389,737
Miscellaneous	D-2	41,099	1,976
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-13	7,389	1,926
Total Income		<u>503,801</u>	<u>443,639</u>
<b>EXPENDITURES</b>			
Operating Expenses	D-3	400,500	388,850
Capital Improvements	D-3	10,000	10,000
Debt Service	D-3	13,500	
Deferred Charges & Statutory Expenditures	D-3	1,200	1,150
Total Expenditures		<u>425,200</u>	<u>400,000</u>
Statutory Excess to Fund Balance		78,601	43,639
<b>FUND BALANCE</b>			
Balance January 1,	D	<u>79,780</u>	<u>86,141</u>
		158,381	129,780
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>35,200</u>	<u>50,000</u>
Balance December 31,	D	<u>\$ 123,181</u>	<u>\$ 79,780</u>

TOWNSHIP OF HOLLAND  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
SEWER UTILITY FUND

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	D-1	\$ 35,200			
Sewer Service Charges	D-9	390,000		\$ 420,113	\$ 30,113
		<u>425,200</u>	\$ -	<u>420,113</u>	<u>30,113</u>
Non-Budget Revenue	D-2			41,099	41,099
		<u>\$ 425,200</u>	<u>\$ -</u>	<u>\$ 461,212</u>	<u>\$ 71,212</u>
	Ref.	D-3			
Analysis of Non-Budget Revenue:					
Interest on Deposits	D-2	\$ 730			
Interest and Costs on Payments	D-6	3,191			
Sewer Rent Overpayments Canceled	D-15	13			
Miscellaneous Collector	D-6	70			
Tax Sale Costs	D-6	347			
Prior Year Adjustment	D-4	<u>36,748</u>			
			<u>\$ 41,099</u>		
Interest on Deposits:					
Treasurer	D-4	\$ 368			
Collector	D-6	29			
Sewer Capital	D-18	<u>333</u>			
	D-2		<u>\$ 730</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HOLLAND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
SEWER UTILITY FUND

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 13,000	\$ 13,000	\$ 12,083	\$ 917		
Other Expenses:						
Miscellaneous Other Expenses	27,500	27,500	15,695	11,805		
Contribution to Milford Sewer	360,000	360,000	359,321	679		
Capital Improvements:						
Capital Improvement Fund	10,000	10,000	10,000			
Debt Service:						
Interest on Notes	13,500	13,500	13,500			
Statutory Expenditures:						
Contribution to:						
Social Security System	1,200	1,200	924	276		
	<u>\$ 425,200</u>	<u>\$ 425,200</u>	<u>\$ 411,523</u>	<u>\$ 13,677</u>	<u>\$ -</u>	<u>\$ -</u>

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

Due from Payroll Account	D-8	\$ 13,007
Due to Sewer Capital Fund	D-18	10,000
Accrued Interest on Notes	D-17	668
Encumbrances Payable	D-14	<u>387,848</u>
	D-3	<u>\$ 411,523</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Balance</u> <u>Dec. 31,2014</u>	<u>Balance</u> <u>Dec. 31,2013</u>
GENERAL FIXED ASSETS		
Land	\$ 2,439,700	\$ 2,439,700
Building & Building Improvements	6,758,455	6,692,000
Machinery & Equipment	<u>4,199,202</u>	<u>3,551,368</u>
	<u>\$ 13,397,357</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, 2014 AND 2013

**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 or 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, 2014 AND 2013  
(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 10<sup>th</sup> and adopt no later than March 20<sup>th</sup> 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 31<sup>st</sup> 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, 2014 AND 2013  
 (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, 2014 AND 2013  
 (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, 2014 AND 2013  
(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, 2014, 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, 2014 AND 2013  
 (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 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Authorized But Not Issued:			
General:			
Bonds and Notes			\$ 155,492
Sewer Utility:			
Bonds and Notes	\$ 522,500	\$ 522,500	
Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 522,500</u>	<u>\$ 522,500</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, 2014 AND 2013  
 (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)	\$ 24,661,354
Net Debt	<u>-0-</u>
Remaining Borrowing Power	<u>\$ 24,661,354</u>

Changes in Long-Term Debt

During the year ended December 31, 2014, the following changes occurred in Long-Term Debt.

	Balance <u>Jan. 01, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2014</u>
Authorized But Not Issued Debt:				
Sewer Utility:				
Bonds and Notes	\$ <u>-0-</u>	\$ <u>522,500</u>	\$ <u>-0-</u>	\$ <u>522,500</u>

**NOTE 5: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$ 695,000
Sewer Utility	59,600

**NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

The following deferred charges are to be raised in succeeding budgets at December 31, 2014:

	Balance <u>Dec.31, 2015</u>	Amount in 2015 <u>Budget</u>	Subsequent Budget <u>Appropriation</u>
Special Emergency Authorization	\$ <u>111,200</u>	\$ <u>27,800</u>	\$ <u>83,400</u>

TOWNSHIP OF HOLLAND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013  
 (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, 2013</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>
Balance of Tax Deferred	\$ 4,232,367	\$ 4,317,014	\$ 1,933,752	\$ 1,913,968
	<u>-0-</u>	<u>-0-</u>	<u>411,677</u>	<u>411,978</u>
Tax Payable	<u>\$ 4,232,367</u>	<u>\$ 4,317,014</u>	<u>\$ 1,522,075</u>	<u>\$ 1,501,990</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, 2013</u>	<u>Dec. 31, 2014</u>
Prepaid Taxes	\$ 77,067	\$ 69,025
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 77,067</u>	<u>\$ 69,025</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, 2014 AND 2013  
 (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, 2014, the rate was increased to 6.78%. After that, the rate will increase each July 1<sup>st</sup> 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](http://www.nj.gov/treasury/pensions).

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 6.92% 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>
2014	\$ 76,623	\$ 107,489
2013	85,886	109,604
2012	82,622	100,201

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, 2014 AND 2013  
(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>.

**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, 2014, 2013, and 2012, were \$0, \$0, and \$0, which equaled the required benefit contribution for each year. There were no retired participants eligible at December 31, 2014, 2013 and 2012.

TOWNSHIP OF HOLLAND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013  
 (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, 2014:

Land	\$ 2,439,700
Buildings & Building Improvements	6,758,455
Machinery & Equipment	<u>4,199,202</u>
Total	<u>\$ 13,397,357</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, 2014:

Fund	Interfund Receivable	Interfund Payable
Current Fund:		
Due from Animal Control Fund	\$ 9	
Due to Clearing Account		\$ 2,122
Due to Payroll Fund		15,655
Due to Other Trust Funds		61,760
Due to General Capital Fund		588,012
Due to Federal and State grant Fund		923
Federal and State Grant Fund:		
Due from Current Fund	923	
Animal Control Fund:		
Due to Current Fund		9
Due to Payroll Fund		840
Other Trust Fund:		
Due from Current Fund	61,760	
Due from Clearing Account	4,728	
Clearing Account:		
Due from Current Fund	2,122	
Due to General Trust Fund		6
Due to Other Trust Fund		4,728
Payroll Account:		
Due to Current Fund	15,655	
Due from Animal Control Fund	840	
Due to Sewer Operating Fund		9,554

TOWNSHIP OF HOLLAND  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013  
 (Continued)

**NOTE 14: INTERFUND RECEIVABLE AND PAYABLE (Cont'd)**

Fund	Interfund Receivable	Interfund Payable
General Capital Fund:		
Due from Current Fund	\$ 588,012	
Due from Clearing Account	6	
Sewer Operating Fund:		
Due from Payroll Fund	9,554	
Due to Sewer Capital Fund		\$ 7,560
Sewer Capital Fund:		
Due from Sewer Operating Fund	7,560	
	\$ 691,169	\$ 691,169

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 year end.

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

The amount due to the General Capital Fund by the Current Fund represents current year budget appropriation and capital receipts in the Current Fund not turned over by the end of the year.

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

**NOTE 15: RISK MANAGEMENT**

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural 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 22, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

TOWNSHIP OF HOLLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(Continued)

**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. 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, 2015, will not have any effect on the Municipality's financial reporting.

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, 2015, is not expected to have an effect on the Municipality's financial reporting.

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 30, 2015, is not expected to have a material effect on the Municipality's financial reporting. The Municipality has elected not to adopt early implementation of this statement.

**SUPPLEMENTARY SCHEDULES**

TOWNSHIP OF HOLLAND  
COUNTY OF HUNTERDON  
2014  
CURRENT FUND

TOWNSHIP OF HOLLAND  
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2013	A	\$ 8,986,165	\$ 56,459
Increased by Receipts:			
Tax Collector	A-6	\$ 15,193,335	
Budget Refunds	A-3	24,498	
Sale of Property Acquired for Taxes	A-11	501	
Interest on Investments	A-2	5,016	
Miscellaneous Revenue not Anticipated	A-2	78,237	
Revenue Accounts Receivable	A-12	3,182,423	
Due to Payroll Account	A-21	100,000	
Due to Other Trust Fund	A-22	12,587	
Due to General Capital Fund	A-23	66,738	
Due to Federal and State Grant Fund	A-24	6,000	
Due from Animal Control Fund	A-13	14,996	
Due from Regular Fund	A-15		\$ 77
Grant Funds Receivable	A-16		14,588
State of NJ-Veterans' & Senior Citizens' Deductions	A-19	70,108	
Due to County and State-License Fees	A-30	450	
Unappropriated Reserve for State Grants	A-35		34,619
		<u>18,754,890</u>	<u>49,284</u>
		27,741,055	105,743

TOWNSHIP OF HOLLAND  
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2014 Budget Appropriations	A-3	\$ 2,515,263	
2013 Appropriation Reserves	A-17	169,649	
Change Funds	A-8	450	
Due to Payroll Account	A-21	1,401,000	
Due from Animal Control Fund	A-13	15,005	
Due to Federal and State Grant Fund	A-24	5,000	
Tax Overpayments	A-26	15	
Regional HS Tax Payable	A-27	3,848,018	
Local School Tax Payable	A-28	8,549,382	
County Taxes Payable	A-29	2,468,277	
Due to Outside Lien holders	A-6	37,713	
Due to County and State-License Fees	A-30	400	
Reserve for Revaluation	A-33	3,842	
Due to to Clearing Account	A-20	54,670	
Encumbrances Payable	A-36		\$ 16,631
		<u>\$ 19,068,684</u>	<u>\$ 16,631</u>
Balance December 31, 2014	A	<u>\$ 8,672,371</u>	<u>\$ 89,112</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, 2014	A-4	\$ 8,672,371	\$ 89,112
Increased by:			
Receipts		4,972,205	49
		13,644,576	89,161
Decreased by:			
Disbursements		7,491,559	19,482
Balance April 30, 2015		\$ 6,153,017	\$ 69,679
 <u>Cash Reconciliation April 30, 2015</u>			
Balance Per Statement:			
Hopewell Valley Bank		\$ 6,077,904	\$ 69,679
NJ Cash Management		71,540	
		6,149,444	69,679
Add: Deposit-in-Transit		4,573	
		6,154,017	69,679
Less: Outstanding Checks		1,000	
Book Balance		\$ 6,153,017	\$ 69,679

TOWNSHIP OF HOLLAND  
SCHEDULE OF CURRENT FUND CASH-COLLECTOR

	Ref.	Operating Fund
Balance December 31, 2013	A	\$ 99,800
Increased by Receipts:		
Taxes Receivable	A-9	\$ 15,360,312
Interest and Cost on Taxes	A-2	57,296
Interest on Deposits	A-2	806
Tax Overpayments	A-26	11,556
Prepaid Taxes	A-25	69,025
Due to Outside Lienholders	A-4	37,713
Miscellaneous Revenue not Anticipated	A-2	1,281
		<u>15,537,989</u>
		15,637,789
Decreased by Disbursements:		
Paid to Treasurer	A-4	<u>15,193,335</u>
Balance December 31, 2014	A; A-7	<u>\$ 444,454</u>

A-7

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

	Ref.	
Balance December 31, 2014	A-6	\$ 444,454
Increased by:		
Receipts		<u>5,074,775</u>
		5,519,229
Decreased by:		
Disbursements		<u>4,719,010</u>
Balance April 30, 2015		<u>\$ 800,219</u>
<u>Cash Reconciliation April 30, 2015</u>		
Balance Per Statement:		
Hopewell Valley Bank		<u>\$ 800,219</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF CHANGE FUNDS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 350
Increased by:		
Additional Change Funds Issued	A-4	<u>450</u>
Balance December 31, 2014	A	<u><u>\$ 800</u></u>

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

Year	Balance	2014 Levy	Added 2014	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance
	12/31/2013			2013	2014					12/31/2014
2013	\$ 228,425				\$ 228,425					
2014		\$ 15,530,252	\$ 4,515	\$ 77,067	15,131,887		\$ 73,750	\$ 4,149	\$ 962	\$ 246,952
	<u>\$ 228,425</u>	<u>\$ 15,530,252</u>	<u>\$ 4,515</u>	<u>\$ 77,067</u>	<u>\$ 15,360,312</u>	<u>\$ -</u>	<u>\$ 73,750</u>	<u>\$ 4,149</u>	<u>\$ 962</u>	<u>\$ 246,952</u>
<u>Ref.</u>	A	Reserve	Reserve	A-25	A-6		A-19	A-26	Reserve	A

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

	<u>Ref.</u>	
<u>Analysis of 2014 Property Tax</u>		
Tax Yield:		
General Purpose Tax		\$ 15,530,252
Added and Omitted Taxes		<u>4,515</u>
	A-9	<u>\$ 15,534,767</u>
Tax Levy:		
Local District School Tax	A-2;A-28	\$ 8,634,029
Regional District School Tax	A-2;A-27	3,827,933
County Tax		\$ 2,059,443
County Library Tax		206,203
County Open Space Tax		200,498
County Share of Added and Omitted Taxes		<u>720</u>
Total County Taxes	A-2;A-29	2,466,864
Municipal Purpose Tax	A-2	596,579
Additional Tax Levied		<u>9,362</u>
Total Municipal Purpose Tax		<u>605,941</u>
	A-9	<u>\$ 15,534,767</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 91,392</u>
Balance December 31, 2014	A	<u><u>\$ 91,392</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 424,300
Decreased by:			
Sale of Property Acquired for Taxes	A-2: A-4	\$ 501	
Loss on Sale of Property	Reserve	<u>64,499</u>	
			<u>65,000</u>
Balance December 31, 2014	A		<u><u>\$ 359,300</u></u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2013</u>	<u>Accrued in 2014</u>	<u>Collected</u>	<u>Balance Dec.31,2014</u>
Alcoholic Beverage Licenses	A-2		\$ 5,376	\$ 5,376	
Municipal Court	A-2	\$ 864	14,118	14,371	\$ 611
Swimming Pool Fees	A-2		97,085	97,085	
Riegle Ridge Community Center Fees	A-2		328,109	328,109	
Snack Bar Fees	A-2		22,664	22,664	
Other Recreational Activities	A-2		3,883	3,883	
Garden State Trust Fund	A-2		21,453	21,453	
Energy Receipts Tax	A-2		2,560,832	2,560,832	
Supplemental Energy Receipts Tax	A-2		128,650	128,650	
		<u>\$ 864</u>	<u>\$ 3,182,170</u>	<u>\$ 3,182,423</u>	<u>\$ 611</u>
	<u>Ref.</u>	A	Reserve	A-4	A

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ -
Increased by:		
Disbursements	A-4	<u>15,005</u>
		15,005
Decreased by:		
Receipts	A-4	<u>14,996</u>
Balance December 31, 2014	A	<u><u>\$ 9</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 12/31/2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance 12/31/2014</u>
4/2/2013	Revaluation of Real Property	\$ 139,000	\$ 27,800	\$ 139,000		\$ 27,800	\$ 111,200
				<u>\$ 139,000</u>	<u>\$ -</u>	<u>\$ 27,800</u>	<u>\$ 111,200</u>
				<u>Ref.</u>	A	A-3	A

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM REGULAR FUND  
FEDERAL AND STATE GRANT FUND

	<u>Ret.</u>		
Balance December 31, 2013	A		\$ -
Increased by:			
Grants Received in Current Fund	A-16	\$ 5,000	
Unappropriated Grants Received in Current Fund	A-35	<u>1,000</u>	
			<u>6,000</u>
			6,000
Decreased by:			
Receipts	A-4	77	
Grant Expenditures in Current Fund	A-34	<u>5,000</u>	
			<u>5,077</u>
			5,077
Balance December 31, 2014	A		<u><u>\$ 923</u></u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF GRANT FUNDS RECEIVABLE

	Balance Dec.31,2013	Accrued in 2014	Collected	Balance Canceled	Balance Dec.31,2014
Highlands Grant	\$ 184,083				\$ 184,083
FEMA HMGP	112,000				112,000
NJ Forestry Grant	3,000				3,000
Recycling Tonnage Grant		\$ 12,790	\$ 12,790		
Clean Communities Program-Prior		1,400	1,400		
Clean Communities Program-2014		14,588	14,588		
Emergency Management Grant		5,000	5,000		
Body Armor Grant		1,318	1,318		
FEMA Shelter Grant		750	750		
	<u>\$ 299,083</u>	<u>\$ 35,846</u>	<u>\$ 35,846</u>	<u>\$ -</u>	<u>\$ 299,083</u>

	Ref.	A	A-2	Below	A
Cash Receipts	A-4			\$ 14,588	
Due from Regular Fund	A-15			5,000	
Unappropriated Reserves Applied	A-35			<u>16,258</u>	
				<u>\$ 35,846</u>	

TOWNSHIP OF HOLLAND  
 SCHEDULE OF 2013 APPROPRIATION RESERVES  
 YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Mayor and Council:					
Other Expenses	\$ 12,626	\$ 7,672	\$ 176	\$ 7,496	
Municipal Clerk:					
Salaries and Wages	3,821	3,821		3,821	
Other Expenses	17,318	12,681	363	12,318	
Financial Administration:					
Salaries and Wages	10,498	10,498		10,498	
Other Expenses	3,900	4,016	852	3,164	
Assessment of Taxes:					
Salaries and Wages	266	266		266	
Other Expenses	2,860	2,910	469	2,441	
Revenue Administration:					
Salaries and Wages	490	490		490	
Other Expenses	70	70		70	
Legal Services and Costs:					
Other Expenses	63,636	63,636	26,819	36,817	
Engineering Services & Costs:					
Other Expenses	9,179	9,179	3,143	6,036	
Municipal Court:					
Salaries and Wages	1,537	1,537	88	1,449	
Municipal Prosecutor:					
Salaries and Wages	20	20		20	
Public Building and Grounds:					
Salaries and Wages	760	760		760	
Other Expenses	6,986	64,825	41,303	23,522	
Planning Board:					
Salaries and Wages	648	648		648	
Other Expenses	29,944	15,756	1,237	14,519	

TOWNSHIP OF HOLLAND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec. 31, 2013	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Salaries and Wages	\$ 608	\$ 608		\$ 608	
Other Expenses	6,560	6,801	\$ 815	5,986	
Fire:					
Other Expenses	9,040	9,055	3,438	5,617	
Police:					
Salaries and Wages	3,283	3,283		3,283	
Other Expenses	5,081	5,462	1,322	4,140	
First Aid Organization-Contribution	468	468		468	
Office of Emergency Management:					
Salaries and Wages	45	45		45	
Other Expenses	753	978	708	270	
Public Defender:					
Salaries and Wages	22	22		22	
Road Repair and Maintenance:					
Salaries and Wages	2,340	2,340		2,340	
Other Expenses	239	32,896	23,751	9,145	
Snow Removal:					
Other Expenses	5,825	35,583	34,365	1,218	
Environmental Commission-Recycling:					
Salaries and Wages	10,759	10,759	135	10,624	
Other Expenses	1,861	2,000	1,939	61	
Board of Health:					
Salaries and Wages	9	9		9	
Other Expenses	2,000	2,000	1,200	800	
Environmental Health Services:					
Other Expenses	200	200		200	

TOWNSHIP OF HOLLAND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec. 31, 2013	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Parks and Recreation:					
Salaries and Wages	\$ 688	\$ 688		\$ 688	
Other Expenses	3,489	3,489		3,489	
Riegel Ridge Community Center:					
Salaries and Wages	17,987	17,987		17,987	
Other Expenses	32,766	38,789	\$ 11,497	27,292	
Swimming Pool:					
Salaries and Wages	418	418		418	
Other Expenses	4,005	4,005		4,005	
Snack Bar:					
Salaries and Wages	1,658	1,658		1,658	
Other Expenses	430	430		430	
Historical Preservation Commission:					
Salaries and Wages	517	517		517	
Other Expenses	1,858	3,274	2,776	498	
Agriculture Advisory Committee:					
Salaries and Wages	1,025	1,025		1,025	
Other Expenses	9,299	9,299	675	8,624	
Unclassified:					
Utilities:					
Fuel Oil	3,197	3,197		3,197	
Gasoline	20,183	22,418	4,153	18,265	
Electricity	31,047	31,047	2,889	28,158	
Telephone	3,636	4,013	376	3,637	
Landfill/Solid Waste Disposal Costs	28,980	30,000	3,060	26,940	
Natural Gas	1,730	2,366	2,100	266	
Contribution to:					
Public Employees Retirement System	4	4		4	
Social Security System (OASI)	9,861	9,861		9,861	
Police & Firemen's Retirement System	6	6		6	
DCRP Contribution	3,696	3,696		3,696	
Unemployment Compensation	2,031	2,031		2,031	

TOWNSHIP OF HOLLAND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Balance Dec. 31, 2013	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Insurance (PL 1985 Ch 522):					
Group Insurance Plan for Employees	\$ 15,270	\$ 19,973		\$ 19,973	
Worker's Compensation Insurance	536	536		536	
Other Insurance Premiums	2,230	2,230		2,230	
COAH:					
Other Expenses	2,000	2,000		2,000	
	<u>\$ 412,199</u>	<u>\$ 526,251</u>	<u>\$ 169,649</u>	<u>\$ 356,602</u>	<u>\$ -</u>

Ref.	A	Below	A-4	A-1
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Analysis of Balance After Transfer:

Appropriation Reserves	A	\$ 412,199
Encumbrances Payable	A-18	<u>114,052</u>
		<u>\$ 526,251</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 149,863
Increased by:		
2014 Budget Charges	A-3	<u>28,487</u>
		178,350
Decreased by:		
Applied to Appropriation Reserves	A-17	<u>114,052</u>
Balance December 31, 2014	A	<u>\$ 64,298</u>

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

	<u>Ref.</u>	
Balance December 31, 2013 (Due to)	A	\$ 2,385
Increased by:		
Receipts	A-4	<u>70,108</u>
		72,493
Decreased by:		
Veterans' Deductions per Tax Billings		\$ 60,250
Senior Citizens' Deductions per Tax Billings		11,250
Senior Citizens' Deductions Allowed by Tax Collector		2,000
Veterans' Deductions Allowed by Tax Collector		<u>1,750</u>
		75,250
Less:		
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector		<u>1,500</u>
	A-9	<u>73,750</u>
Balance December 31, 2014 (Due from)	A	<u>\$ 1,257</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO CLEARING ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ -
Increased by:		
2014 Net Budget Charges	A-3	56,792
		<u>56,792</u>
Decreased by:		
Disbursements	A-4	54,670
		<u>54,670</u>
Balance December 31, 2014	A	<u>\$ 2,122</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO PAYROLL ACCOUNT ACCOUNT

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 24,242
Increased by:			
Receipts	A-4	\$ 100,000	
2014 Budget Charges	A-3	<u>1,292,413</u>	
			<u>1,392,413</u>
			1,416,655
Decreased by:			
Disbursements	A-4		<u>1,401,000</u>
Balance December 31, 2014	A		<u>\$ 15,655</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO OTHER TRUST FUNDS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 49,300
Increased by:		
Receipts	A-4	12,587
		<u>61,887</u>
Decreased by:		
Interest Earned	A-2	127
		<u>127</u>
Balance December 31, 2014	A	<u>\$ 61,760</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ -
Increased by:			
Receipts	A-4	\$ 66,738	
2014 Budget Appropriations	A-3	<u>525,000</u>	
			<u>591,738</u>
			591,738
Decreased by:			
Interest on Investments	A-2		3,726
			<u>3,726</u>
Balance December 31, 2014	A		<u>\$ 588,012</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ -
Increased by:		
Receipts	A-4	<u>6,000</u>
		6,000
Decreased by:		
Disbursements	A-4	\$ 5,000
Interest on Investments	A-2	<u>77</u>
		<u>5,077</u>
Balance December 31, 2014	A	<u><u>\$ 923</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 77,067
Increased by:		
Collection of 2015 Taxes	A-6	<u>69,025</u>
		146,092
Decreased by:		
Applied to 2014 Taxes Receivable	A-9	<u>77,067</u>
Balance December 31, 2014	A	<u>\$ 69,025</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 2,543
Increased by:			
Receipts	A-6		<u>11,556</u>
			14,099
Decreased by:			
Disbursements	A-4	\$ 15	
Balances Canceled	A-1	228	
Applied to 2014 Taxes	A-9	<u>4,149</u>	
			<u>4,392</u>
Balance December 31, 2014	A		<u>\$ 9,707</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2013:			
School Tax Payable	A	\$ 1,522,075	
School Tax Deferred (10.64%)		<u>411,677</u>	
			\$ 1,933,752
Increased by:			
Levy-School Year July 1, 2014 to June 30, 2015	A-9		<u>3,827,933</u>
			5,761,685
Decreased by:			
Disbursements	A-4		<u>3,848,018</u>
Balance December 31, 2014:			
School Tax Payable	A	1,501,990	
School Tax Deferred (10.76%)		<u>411,978</u>	
			<u>\$ 1,913,968</u>
<u>2014 Liability for Regional High School Tax</u>			
Tax Paid			\$ 3,848,018
Add: Tax Payable December 31, 2014			<u>1,501,990</u>
			5,350,008
Less: Tax Payable December 31, 2013			<u>1,522,075</u>
Amount Charged to Operations	A-1		<u>\$ 3,827,933</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2013:			
School Tax Payable	A	\$ 4,232,367	
School Tax Deferred		<u>-</u>	
			\$ 4,232,367
Increased by:			
Levy-School Year July 1, 2014 to June 30, 2015	A-9		<u>8,634,029</u>
			12,866,396
Decreased by:			
Disbursements	A-4		<u>8,549,382</u>
Balance December 31, 2014:			
School Tax Payable	A	4,317,014	
School Tax Deferred		<u>-</u>	
			<u>\$ 4,317,014</u>
<u>2014 Liability for Regional High School Tax</u>			
Tax Paid			\$ 8,549,382
Add: Tax Payable December 31, 2014			<u>4,317,014</u>
			12,866,396
Less: Tax Payable December 31, 2013			<u>4,232,367</u>
Amount Charged to Operations	A-1		<u>\$ 8,634,029</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 2,133
Increased by:		
2014 Levy:		
County Taxes		\$ 2,059,443
County Library Tax		206,203
County Open Space Tax		200,498
County Share of Added & Omitted Taxes		<u>720</u>
	A-1;A-9	<u>2,466,864</u>
		<u>2,468,997</u>
Decreased by:		
Disbursements	A-4	<u>2,468,277</u>
Balance December 31, 2014	A	<u><u>\$ 720</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 100
Increased by:		
Receipts	A-4	450
		<u>550</u>
Decreased by:		
Disbursements	A-4	400
		<u>400</u>
Balance December 31, 2014	A	<u>\$ 150</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ -
Increased by:		
State Tax Appeals Pending	A-2	12,800
		<u>12,800</u>
Balance December 31, 2014	A	<u>\$ 12,800</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR VETERANS DAY CELEBRATION

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 200</u>
Balance December 31, 2014	A	<u><u>\$ 200</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 69,000
Decreased by:		
Disbursements	A-4	<u>3,842</u>
Balance December 31, 2014	A	<u><u>\$ 65,158</u></u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant Period	Grant	Balance 12/31/2013	Transferred from 2014 Budget	Paid or Charged	Balance Canceled	Balance 12/31/2014
01/01/13 to 12/31/13	Clean Communities Program-2013	\$ 1,650	\$ 1,400	\$ 3,050		
01/01/14 to 12/31/14	Clean Communities Program-2014		14,588	7,842		\$ 6,746
01/01/05 to 12/31/05	NJ Department of Environmental Protection-Storm Water Management Grant-2005	3,399				3,399
01/01/06 to 12/31/06	NJ Department of Environmental Protection-Storm Water Management Grant-2006	6,250				6,250
01/01/08 to 12/31/08	Uniform Fire Code Violations	375				375
01/01/11 to 12/31/11	Highlands Grant First	4,923		3,568		1,355
01/01/11 to 12/31/11	Highlands Grant Second	174,100				174,100
01/01/12 to 12/31/12	GEON Energy Grant	9		9		-
01/01/13 to 12/31/13	GEON Energy Grant	500		409		91
01/01/13 to 12/31/13	Recycling Grant -2013	2,357		2,357		
01/01/14 to 12/31/14	Recycling Tonnage Grant		12,790	315		12,475
01/01/13 to 12/31/13	Body Armor Grant	199				199
01/01/14 to 12/31/14	Body Armor Grant		1,318			1,318
01/01/13 to 12/31/13	FEMA Shelter Grant	29,563		15,435		14,128
01/01/14 to 12/31/14	FEMA Shelter Grant		750			750
01/01/13 to 12/31/13	FEMA HMGP Grant	112,000		545		111,455
01/01/13 to 12/31/13	NJ Forestry Grant	3,000				3,000
01/01/14 to 12/31/14	Emergency Management Grant		5,000	5,000		

	\$ 338,325	\$ 35,846	\$ 38,530	\$ -	\$ 335,641
Ref	A	A-3 A-16	A-36		A

TOWNSHIP OF HOLLAND  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>		
Balance December 31, 2013	A	\$	16,259
Increased by:			
Grant Funds Received in Regular Fund	A-15	\$	1,000
Receipts	A-4		<u>34,619</u>
			<u>35,619</u>
			51,878
Decreased by:			
Applied to Grant Funds Receivable	A-16		<u>16,258</u>
Balance December 31, 2014	A	\$	<u><u>35,620</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2013	A	\$	958
Increased by:			
2014 Grant Charges	A-34		<u>38,530</u>
			39,488
Decreased by:			
Disbursements	A-4	\$	16,631
Disbursements in Regular Fund	A-15		<u>5,000</u>
			<u>21,631</u>
Balance December 31, 2014	A	\$	<u><u>39,488</u></u>

TOWNSHIP OF HOLLAND  
COUNTY OF HUNTERDON  
2014  
TRUST FUND

TOWNSHIP OF HOLLAND  
 SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2013	B	\$ 3,387	\$ 429,307
Increased by Receipts:			
Due to State of New Jersey	B-4	\$ 1,283	
Animal Control Fees	B-5	5,997	
Due to Current Fund	B-6	30,006	
Reserve for Escrow Funds	B-9		\$ 207,635
Small Cities Revolving Loan	B-10		6,363
Recreational and Community Services	B-11		2
Development Fees	B-12		2,901
Reserve for Tax Sale Premiums	B-13		1,200
Interfunds Receivable	B-16		132
Reserve for Clearing Account	B-17		29,309,389
Reserve for Payroll Account	B-18		2,353,065
Reserve for Future Legal Expenses	B-19		15,010
Reserve for Performance Bond	B-20		114,817
Reserve for POAA	B-21		4
		37,286	32,010,518
		40,673	32,439,825
Decreased by Disbursements:			
Animal Control Fund	B-5	10,917	
Due to State of New Jersey	B-4	1,288	
Due to Current Fund	B-6	14,997	
Reserve for Escrow Funds	B-9		116,364
Development Fees	B-12		8
Reserve for Tax Sale Premiums	B-13		18,400
Interfunds Receivable	B-16		17,320
Reserve for Clearing Account	B-17		29,361,447
Reserve for Payroll Account	B-18		2,345,844
		27,202	31,859,383
Balance December 31, 2014	B	\$ 13,471	\$ 580,442

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

	<u>Ref.</u>	<u>Animal Control Funds</u>	<u>Other Trust Funds</u>
Balance December 31, 2014	B-1	\$ 13,471	\$ 580,442
Increased by:			
Receipts		6,891	7,867,509
		<u>20,362</u>	<u>8,447,951</u>
Decreased by:			
Disbursements		10,116	6,750,586
		<u>10,116</u>	<u>6,750,586</u>
Balance April 30, 2015		<u>\$ 10,246</u>	<u>\$ 1,697,365</u>
 <u>Cash Reconciliation April 30, 2015</u>			
Balance per Statement:			
Hopewell Valley Bank		\$ 10,246	\$ 1,763,825
Add: Deposit-in-Transit		<u>10,246</u>	<u>1,763,825</u>
Less: Outstanding Checks			<u>66,460</u>
Book Balance		<u>\$ 10,246</u>	<u>\$ 1,697,365</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO PAYROL  
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ -
Increased by:		
Payroll Charges	B-5	<u>840</u>
Balance December 31, 2014	B	<u>\$ 840</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 16
Increased by:		
State Fees Collected	B-1	<u>1,283</u>
		1,299
Decreased by:		
Disbursements	B-1	<u>1,288</u>
Balance December 31, 2014	B	<u>\$ 11</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2013 (Deficit)	B		\$ 3,371
Increased by Receipts:			
Animal Control Fees	B-1	\$ 5,997	
Municipal Contribution	B-6	<u>15,000</u>	
			<u>20,997</u>
			24,368
Decreased by:			
Expenditures Under RS 4:119-15.	B-1	10,917	
Encumbrances	B-7	1,590	
Payroll Charges	B-3	<u>840</u>	
			<u>13,347</u>
Balance December 31, 2014 (Deficit)	B		<u><u>\$ 11,021</u></u>
<u>Animal Control Collections</u>			
2012			\$ 5,816
2013			<u>7,372</u>
Maximum Allowable Reserve			<u><u>\$ 13,188</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ -
Increased by:		
Receipts	B-1	<u>30,006</u>
		30,006
Decrease by:		
Disbursements	B-1	\$ 14,997
Municipal Contribution	B-5	<u>15,000</u>
		<u>29,997</u>
Balance December 31, 2014	B	<u><u>\$ 9</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ -
Increased by:		
2014 Charges	B-5	<u>1,590</u>
Balance December 31, 2014	B	<u><u>\$ 1,590</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 293,691
Increased by:		
Prior Period Adjustment	B-10	<u>106,589</u>
Balance December 31, 2014	B	<u><u>\$ 400,280</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR ESCROW FUNDS

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 157,023
Increased by:		
Receipts	B-1	<u>207,635</u>
		364,658
Decreased by:		
Disbursements	B-1	<u>116,364</u>
Balance December 31, 2014	B	<u><u>\$ 248,294</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR SMALL CITIES REVOLVING LOAN

	<u>Ref.</u>		
Balance December 31, 2013	B	\$	362,906
Increased By:			
Prior Period Adjustment	B-8	\$	106,589
Receipts	B-1		<u>6,363</u>
			<u>112,952</u>
Balance December 31, 2014	B	\$	<u><u>475,858</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR RECREATIONAL AND COMMUNITY SERVICES

	<u>Ref.</u>		
Balance December 31, 2013	B	\$	1,495
Increased by:			
Receipts	B-1		<u>2</u>
Balance December 31, 2014	B	\$	<u><u>1,497</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR DEVELOPMENT FEES

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 1,776
Increased by:		
Receipts	B-1	<u>2,901</u>
		4,677
Decreased by:		
Disbursements	B-1	<u>8</u>
Balance December 31, 2014	B	<u>\$ 4,669</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 91,400
Increased by:		
Receipts	B-1	<u>1,200</u>
		92,600
Decreased by:		
Disbursements	B-1	<u>18,400</u>
Balance December 31, 2014	B	<u>\$ 74,200</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ <u>52,571</u>
Balance December 31, 2014	B	\$ <u><u>52,571</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR FIRST AID SQUAD

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ <u>25,600</u>
Balance December 31, 2014	B	\$ <u><u>25,600</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF INTERFUNDS-OTHER TRUST FUNDS

	Ref.			
Balance December 31, 2013 .	B		\$	49,300
Increased by:				
Clearing Account Disbursements	B-1	\$		4,728
Disbursements	B-1			12,592
				17,320
				66,620
Decreased by:				
Receipts	B-1			132
Balance December 31, 2014	B		\$	66,488

Analysis of Balance	December 31, 2013	December 31, 2014
Due from:		
Current Fund-Tax Sale Premiums	\$ 49,200	\$ 61,660
Current Fund-Recreational and Community Services	100	100
Clearing Account-Escrow Funds		4,728
	\$ 49,300	\$ 66,488

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR CLEARING ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 54,670
Increased by:		
Receipts	B-1	<u>29,309,389</u>
		29,364,059
Decreased by:		
Disbursements	B-1	<u>29,361,447</u>
Balance December 31, 2014	B	<u><u>\$ 2,612</u></u>

<u>Analysis of Balance</u>	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2014</u>
Due from:		
Current Fund		\$ (2,122)
Due to:		
General Capital		6
Escrow Funds		4,728
Current Fund	<u>\$ 54,670</u>	
	<u><u>\$ 54,670</u></u>	<u><u>\$ 2,612</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 24,857
Increased by:		
Receipts	B-1	2,353,065
		<u>2,377,922</u>
Decreased by:		
Disbursements	B-1	2,345,844
		<u>2,345,844</u>
Balance December 31, 2014	B	<u>\$ 32,078</u>

<u>Analysis of Balance</u>	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2014</u>
Due from:		
Current Fund	\$ (24,242)	\$ (15,655)
Animal Control Fund		(840)
Due to:		
Sewer Operating	12,561	9,554
Payroll Withholdings	<u>36,538</u>	<u>39,019</u>
	<u>\$ 24,857</u>	<u>\$ 32,078</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR FUTURE LEGAL EXPENSES

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ -
Increased by: Receipts	B-1	<u>15,010</u>
Balance December 31, 2014	B	<u>\$ 15,010</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR PERFORMANCE BOND

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ -
Increased by: Receipts	B-1	<u>114,817</u>
Balance December 31, 2014	B	<u>\$ 114,817</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR P0AA

Balance December 31, 2013	B	\$	-
Increased by:			
Receipts	B-1		<u>4</u>
Balance December 31, 2014	B	\$	<u><u>4</u></u>

TOWNSHIP OF HOLLAND  
COUNTY OF HUNTERDON  
2014  
GENERAL CAPITAL FUND

TOWNSHIP OF HOLLAND  
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 3,234,328
Increased by Receipts:		
Due to Current Fund	C-5	\$ 3,727
Reimbursement of Completed Projects	C-9	<u>100,000</u>
		<u>103,727</u>
		3,338,055
Decreased by Disbursements:		
Clearing Account	C-6	464,034
Encumbrances Payable	C-8	<u>309,457</u>
		<u>773,491</u>
Balance December 31, 2014	C; C-3	<u>\$ 2,564,564</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, 2014	C-2	\$ 2,564,564
Increased by:		
Receipts		<u>1,541</u>
		2,566,105
Decreased by:		
Disbursements		<u>286,749</u>
Balance April 30, 2015		<u>\$ 2,279,356</u>
 <u>Cash Reconciliation April 30, 2015</u>		
Balance Per Statement:		
Hopewell Valley Bank		<u>\$ 2,279,356</u>

TOWNSHIP OF HOLLAND  
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2014
Fund Balance	\$ 160,010				\$ 160,010
Capital Improvement Fund	1,164,436	\$ 100,000		\$ (185,044)	1,079,392
Due to/from Current Fund		3,727		(591,739)	(588,012)
Due from Clearing Account			\$ 464,034	464,028	(6)
Encumbrances Payable	309,457		309,457	553,150	553,150
Reserve for Capital Projects	640,572			(11,003)	629,569
<u>Improvement Authorizations</u>					
Acquisition of Property	13,907				13,907
Various Improvements to the Grove at the Riegel Ridge Community Center	14,036				14,036
Various Upgrades & Improvements to Riegel Ridge Community Center	52,730			(25,589)	27,141
Improvement to Various Roads	76			(76)	
Removal of Underground Fuel Tanks and Installation of an Above Ground Replacement Tank	2,051				2,051
Purchase of Various Computers	28.00				28
Improvements to Rummel Road	3			(3)	
Improvements to Ellis Road	60,753			(60,753)	
Purchase of a Police Vehicle	4				4
Refurbishing of a Public Works Truck	23,504			(3,881)	19,623
Improvements to Riegel Ridge Community Center	15,336			(10,340)	4,996
Various Outdoor Improvements to the Riegel Ridge Community Center	12,745			(2,398)	10,347
Improvements to Various Roads	149,054			(145,113)	3,941
Improvements to the Municipal Complex	20,230			(1,628)	18,602

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

Description	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2014
Purchase of Various Public Works Equipment	\$ 19,582			\$ (1,150)	\$ 18,432
Purchase of Police Equipment	26,927			(20,781)	6,146
Preservation of Farm Land	492,377			(3,700)	488,677
Purchase of Real Property	56,510			(7,470)	49,040
Acquisition of Appurtenances Required for a Brush Truck				2,195	2,195
Various Improvements at the Riegel Ridge Community Center and Pool				23,500	23,500
Construction/Repairs to Various Roads				19	19
Construction/Repairs to Various Roads				1,129	1,129
Purchase of Public Works Equipment				26,647	26,647
	<u>\$ 3,234,328</u>	<u>\$ 103,727</u>	<u>\$ 773,491</u>	<u>\$ -</u>	<u>\$ 2,564,564</u>
<u>Ref.</u>	C	C-2	C-2		C

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2013	C		\$ -
Increased by:			
2014 Municipal Budget Appropriations:			
Reserve for Capital Projects	C-10	\$ 165,000	
Capital Improvement Fund	C-9	360,000	
Road Aid Received in Current Fund	C-9	33,750	
Insurance Recovery Received in Current Fund	C-6	<u>32,989</u>	
			<u>591,739</u>
			591,739
Decreased by:			
Receipts	C-2		<u>3,727</u>
Balance December 31, 2014	C		<u>\$ 588,012</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM CLEARING ACCOUNT

	<u>Ref.</u>		
Balance December 31, 2013	C		\$ -
Increased by:			
Disbursements	C-2		<u>464,034</u>
			464,034
Decreased by:			
Improvement Authorization Charges	C-7	\$ 431,039	
Insurance Recovery	C-5	<u>32,989</u>	
			<u>464,028</u>
Balance December 31, 2014	C		<u>\$ 6</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2013		2014 Authorization	Paid or Charged	Over-expended	Unexpended Balance Canceled	Balance Dec 31, 2014	
	Date	Amount	Funded	Unfunded					Funded	Unfunded
Acquisition of Property	11/21/00	\$ 700,000	\$ 13,907						\$ 13,907	
Various Improvements to the Grove at the Riegel Comm Ctr	10/20/09	125,000	14,036						14,036	
Various Upgrades & Improvements to Riegel Ridge Comm Ctr	05/04/10	425,000	52,730			\$ 25,589			27,141	
Improvement to Various Roads	06/08/11	170,000	76					\$ 76		
Removal of Underground Fuel Tanks and Installation of an Above Ground Replacement Tank	10/04/11	50,000	2,051						2,051	
Purchase of Various Computers	01/17/12	30,000	28						28	
Improvements to Rummel Road	06/19/12	170,000	3					3		
Improvements to Ellis Road	09/04/12	230,000	60,753			629		60,124		
Purchase of a Police Vehicle	08/21/12	40,000	4						4	
Refurbishing of a Public Works Truck	08/21/12	100,000	23,504			3,881			19,623	
Improvements to Riegel Ridge Community Center	08/21/12	175,000	15,336			10,340			4,996	
Various Outdoor Improvements to the Riegel Ridge Community Ctr	04/02/13	125,000	12,745			2,398			10,347	
Improvements to Various Roads	05/07/13	350,000	149,054			145,113			3,941	
Improvements to the Municipal Complex	05/07/13	50,000	20,230			1,628			18,602	
Purchase of Various Public Works Equipment	05/07/13	170,000	19,582			1,150			18,432	
Purchase of Police Equipment	05/07/13	50,000	26,927			20,781			6,146	
Preservation of Farm Land	05/07/13	550,000	492,377			3,700			488,677	
Purchase of Real Property	05/21/13	1,300,000	56,510			7,470			49,040	
Acquisition of Appurtenances Required for a Brush Truck	03/04/14	50,000			\$ 50,000	47,805			2,195	
Various Improvements at the Riegel Ridge Community Center and Pool	03/04/14	50,000			50,000	26,500			23,500	
Construction/Repairs to Various Roads	05/06/14	350,000			350,000	349,981			19	
Construction/Repairs to Various Roads	06/17/14	85,000			85,000	83,871			1,129	
Purchase of Public Works Equipment	06/17/14	280,000			280,000	253,353			26,647	
			<u>\$ 959,853</u>	<u>\$ -</u>	<u>\$ 815,000</u>	<u>\$ 984,189</u>	<u>\$ -</u>	<u>\$ 60,203</u>	<u>\$ 730,461</u>	<u>\$ -</u>
	<u>Ref.</u>		C	C	Below	Below		C-10	C	C
<u>Analysis of 2014 Authorizations</u>										
Capital Improvement Fund	C-9				\$ 578,794					
Reserve for Capital Projects	C-10				236,206					
					<u>\$ 815,000</u>					
<u>Analysis of Paid or Charged</u>										
Clearing Account	C-6					\$ 431,039				
Encumbrances Payable	C-8					553,150				
						<u>\$ 984,189</u>				

TOWNSHIP OF HOLLAND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 309,457
Increased by:		
2014 Capital Charges	C-7	553,150
		<u>862,607</u>
Decreased by:		
Disbursements	C-2	309,457
		<u>309,457</u>
Balance December 31, 2014	C	<u>\$ 553,150</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,164,436
Increased by:		
Reimbursement of Completed Projects	C-2	\$ 100,000
2014 Budget Appropriations	C-5	360,000
Road Aid Received for Completed Projects	C-5	33,750
		<u>493,750</u>
		1,658,186
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	578,794
		<u>578,794</u>
Balance December 31, 2014	C	<u>\$ 1,079,392</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Improvement Description	Balance 12/31/2013	Increased in 2014	Decreased in 2014	Balance 12/31/2014
Park Construction	\$ 32,138			\$ 32,138
Community Center Parking Lot	55,743			55,743
Purchase of Land	391,687			391,687
Road Leveling and Overlay	1,004	\$ 60,203	\$ 61,206	1
Purchase of an Ambulance	60,000	15,000		75,000
Purchase of a Fire Truck	50,000	50,000	50,000	50,000
Community Center Upgrades	50,000	25,000	50,000	25,000
Purchase of Various Public Works Equipment		75,000	75,000	
	<u>\$ 640,572</u>	<u>\$ 225,203</u>	<u>\$ 236,206</u>	<u>\$ 629,569</u>
	Ref. C	Below	C-7	C
Improvement Authorization Balances Canceled	C-7	\$ 60,203		
2014 Budget Appropriations	C-5	165,000		
		<u>\$ 225,203</u>		

TOWNSHIP OF HOLLAND  
COUNTY OF HUNTERDON  
2014  
SEWER UTILITY FUND

TOWNSHIP OF HOLLAND  
SCHEDULE OF SEWER UTILITY FUND CASH-TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2013	D	\$ 247,838	\$ 10,934
Increased by Receipts:			
Sewer Collector	D-6	\$ 431,967	
Interest on Deposits:	D-2	368	
Due from Sewer Operating	D-12		\$ 115,293
Notes Issued	D-24		522,500
Nonbudget Revenue	D-2	<u>36,748</u>	
		<u>469,083</u>	<u>637,793</u>
		716,921	648,727
Decreased by Disbursements:			
Encumbrances Payable	D-14	459,830	
Due from Payroll Account	D-8	10,000	
Improvement Authorizations	D-19		11,926
Due to Sewer Capital Fund	D-18	<u>114,960</u>	
		<u>584,790</u>	<u>11,926</u>
Balance December 31, 2014	D; D-5	<u>\$ 132,131</u>	<u>\$ 636,801</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, 2014	D-4	\$ 132,131	\$ 636,801
Increased by:			
Receipts		<u>163,116</u>	<u>418</u>
		295,247	637,219
Decreased by:			
Disbursements		<u>58,052</u>	<u>5,598</u>
Balance April 30, 2015		<u>\$ 237,195</u>	<u>\$ 631,621</u>
<u>Cash Reconciliation April 30, 2015</u>			
Balance Per Statement:			
Hopewell Valley Bank		<u>\$ 237,195</u>	<u>\$ 631,621</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF SEWER UTILITY FUND CASH-COLLECTOR

	Ref.	Operating Fund
Balance December 31, 2013	D	\$ 12,885
Increased by Receipts:		
Consumer Accounts Receivable	D-9	\$ 419,294
Sewer Rent Overpayments	D-15	166
Prepaid Rents Received	D-16	428
Interest and Cost on Sewer Charges	D-2	3,191
Tax Sale Costs	D-2	347
Miscellaneous	D-2	70
Interest on Deposits	D-2	29
		423,525
		436,410
Decreased by Disbursements:		
Paid to Sewer Treasurer	D-4	431,967
Balance December 31, 2014	D; D-7	\$ 4,443

D-7

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

	Ref.		
Balance December 31, 2014	D-6	\$	4,443
Increased by:			
Receipts			164,484
			168,927
Decreased by:			
Disbursements			163,000
Balance April 30, 2015		\$	5,927
<u>Cash Reconciliation April 30, 2015</u>			
Balance Per Statement:			
Hopewell Valley Bank		\$	5,927

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM PAYROLL ACCOUNT

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 12,561
Increased by:		
Disbursements	D-4	<u>10,000</u>
		22,561
Decreased by:		
Budget Charges	D-3	<u>13,007</u>
Balance December 31, 2014	D	<u><u>\$ 9,554</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 26,294
Increased by:		
User Fees Levied	Reserve	<u>433,011</u>
		459,305
Decreased by:		
Collections	D-6	\$ 419,294
Prepayments Applied	D-16	446
Overpayments Applied	D-15	<u>373</u>
		<u>420,113</u>
Balance December 31, 2014	D	<u><u>\$ 39,192</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF FIXED CAPITAL

<u>Description</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2014</u>
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, 2014

Purpose	Ordinance		Balance	Authorizations	Costs	Balance
	Date	Amount	Dec. 31, 2013		to Fixed Capital	Dec. 31, 2014
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>\$ 650,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,000</u>
		<u>Ref.</u>	D			D

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE FROM SEWER OPERATING FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 112,853
Increased by:		
2014 Budget Appropriation	D-23	<u>10,000</u>
		122,853
Decreased by:		
Receipts	D-4	<u>115,293</u>
Balance December 31, 2014	D	<u><u>\$ 7,560</u></u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF 2013 APPROPRIATION RESERVES  
 YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 536	\$ 536		\$ 536	
Other Expenses	6,940	6,940	\$ 314	6,626	
Contribution to Milford Sewer	43,405	43,405	43,400	5	
Statutory Expenditures:					
Contribution to:					
Social Security System	72	72		72	
Unemployment Compensation Insurance	150	150		150	
	<u>\$ 51,103</u>	<u>\$ 51,103</u>	<u>\$ 43,714</u>	<u>\$ 7,389</u>	<u>\$ -</u>

<u>Ref.</u>	D	Below	D-14	D-1
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TOWNSHIP OF HOLLAND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2013	D	\$	28,576
Increased by:			
2014 Budget Charges	D-3	\$	387,848
2013 Appropriation Reserve Charges	D-13		<u>43,714</u>
			431,562
			<u>460,138</u>
Decreased by:			
Disbursements	D-4		<u>459,830</u>
Balance December 31, 2014	D	\$	<u><u>308</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF SEWER RENT OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2013	D	\$	526
Increased by:			
Overpayments Received	D-6		<u>166</u>
			692
Decreased by:			
Applied to Consumer Accounts Receivable	D-9	\$	373
Overpayments Canceled	D-2		<u>13</u>
			<u>386</u>
Balance December 31, 2014	D	\$	<u><u>306</u></u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF PREPAID SEWER RENTS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 446
Increased by:		
Prepayments Received	D-6	428
		<u>874</u>
Decreased by:		
Applied to Consumer Accounts Receivable	D-9	446
		<u>446</u>
Balance December 31, 2014	D	<u>\$ 428</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF ACCRUED INTEREST ON NOTES

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ -
Increased by:		
2014 Budget Charge	D-3	668
		<u>668</u>
Balance December 31, 2014	D	<u>\$ 668</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF DUE TO SEWER CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 112,853
Increased by:		
2014 Budget Appropriation	D-3	<u>10,000</u>
		122,853
Decreased by:		
Disbursements	D-4	\$ 114,960
Interest Earned	D-2	<u>333</u>
		<u>115,293</u>
Balance December 31, 2014	D	<u><u>\$ 7,560</u></u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2013		2014 Authorization	Paid or Charged	Over-expended	Unexpended Balance Canceled	Balance Dec 31, 2014	
	Date	Amount	Funded	Unfunded					Funded	Unfunded
Improvement and Repairs to the Sewer Lines	06/19/12	\$ 100,000	\$ 75,705			\$ 1,278			\$ 74,427	
Replacement of the Gridley Circle Pump Station	08/06/13	550,000	6,537	\$ 522,500		10,648				\$ 518,389
			<u>\$ 82,242</u>	<u>\$ 522,500</u>	<u>\$ -</u>	<u>\$ 11,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,427</u>	<u>\$ 518,389</u>
	Ref.		D	D		D-4			D	D

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013	D	<u>\$ 900,000</u>
Balance December 31, 2014	D	<u><u>\$ 900,000</u></u>

TOWNSHIP OF HOLLAND  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
 YEAR ENDED DECEMBER 31, 2014

Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Authorizations	Transfer to Reserve for Amortization	Balance Dec. 31, 2014
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>\$ 127,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,500</u>
	Ref.	D			D

TOWNSHIP OF HOLLAND  
SCHEDULE OF RESERVE FOR ALTERATION OF SEWER SYSTEM

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 30,000
Balance December 31, 2014	D	<u>\$ 30,000</u>

TOWNSHIP OF HOLLAND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 11,545
Increased by:		
2014 Budget Appropriation	D-12	<u>10,000</u>
Balance December 31, 2014	D	<u>\$ 21,545</u>

TOWNSHIP OF HOLLAND  
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Improvement Description	Original Note	Date of		Interest Rate	Balance 12/31/2013	Increased	Decreased	Balance 12/31/2014
		Issue	Maturity					
Sewer Purposes	10/23/2014	10/23/2014	10/22/2015	0.66%		\$ 522,500		\$ 522,500
					\$ -	\$ 522,500	\$ -	\$ 522,500
				Ref.	D	C-4, C-25		D

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

<u>Ord Date</u>	<u>Improvement Description</u>	<u>Balance 12/31/2013</u>	<u>Increased in 2014</u>	<u>Decreased in 2014</u>	<u>Balance 12/31/2014</u>
8/6/2013	Replacement of the Gridley Circle Pump Station	\$ 522,500	\$ -	\$ 522,500	\$ -
		<u>\$ 522,500</u>	<u>\$ -</u>	<u>\$ 522,500</u>	<u>\$ -</u>
	<u>Ref.</u>	D		D-24	D

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 22, 2015

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, 2014 and 2013, 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 22, 2015, 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, 2014

Purpose	Award Amount	Grant Period		Balance 12/31/2013	Receipts	Expended	Canceled	Balance 12/31/2014
		From	To					
Clean Communities Program	\$ 14,972	01/01/13	12/31/13	\$ 3,051		\$ 3,051		
Clean Communities Program	14,588	01/01/14	12/31/14		\$ 14,588	7,842		\$ 6,746
Storm Water Management Grant	3,750	01/01/05	12/31/05	3,399				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	2,357		2,357		
Recycling Tonnage Grant	12,790	01/01/13	12/31/13	12,790		315		12,475
Recycling Tonnage Grant	33,698	01/01/14	12/31/14		33,698			33,698
Body Armor Grant	1,158	01/01/12	12/31/12	199				199
Body Armor Grant	1,318	01/01/13	12/31/13	1,318				1,318
Body Armor Grant	921	01/01/14	12/31/14		921			921
Uniform Fire Code Violations	375	01/01/08	12/31/08	375				375
Highlands Grant-First	100,000	01/01/11	12/31/11	(5,060)		3,568		(8,628)
Geon Energy Grant	500	01/01/11	12/31/11	9		9		
Geon Energy Grant	500	01/01/12	12/31/12	500		409		91
FEMA Shelter Grant	750	01/01/13	12/31/13	750				750
FEMA Shelter Grant	29,981	01/01/13	12/31/13	29,563		15,435		14,128
FEMA HMGP Grant	112,000	01/01/13	12/31/13			544		(544)
Emergency Management Grant	5,000	01/01/14	12/31/14		5,000	5,000		
Health Wellness Grant	1,000	01/01/14	12/31/14		1,000			1,000
Health Wellness Grant	1,000	01/01/14	12/31/14		1,000			1,000
				<u>\$ 55,501</u>	<u>\$ 56,207</u>	<u>\$ 38,530</u>	<u>\$ -</u>	<u>\$ 73,178</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

	2014		2013	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,346,453	6.55	\$ 1,807,655	8.72
Miscellaneous-From Other Than Local Property Tax Levied	3,722,167	18.09	4,283,827	20.66
Collection of Delinquent Taxes & Tax Title Liens	228,425	1.11	177,833	0.86
Collection of Current Tax Levy	<u>15,274,053</u>	<u>74.25</u>	<u>14,461,715</u>	<u>69.76</u>
Total Income	<u>20,571,098</u>	<u>100.00</u>	<u>20,731,030</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	4,957,908	24.93	5,085,144	25.42
County Taxes	2,466,864	12.40	2,503,665	12.52
Local School Taxes	8,634,029	43.42	8,464,735	42.32
Regional School Taxes	3,827,933	19.25	3,868,105	19.34
Other Expenditures	<u>9</u>	<u>0.00</u>	<u>80,249</u>	<u>0.40</u>
Total Expenditures	<u>19,886,743</u>	<u>100.00</u>	<u>20,001,898</u>	<u>100.00</u>
Excess in Revenue	684,355		729,132	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above which are by Statute				
Deferred Charges to Budget of Succeeding Years:				
Special Emergency Authorization	<u>-</u>		<u>139,000</u>	
Regulatory Excess to Fund Balance	684,355		868,132	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>2,681,841</u>		<u>3,621,364</u>	
	3,366,196		4,489,496	
Less: Utilization as Anticipated Revenue	<u>1,346,453</u>		<u>1,807,655</u>	
Fund Balance December 31,	<u>\$ 2,019,743</u>		<u>\$ 2,681,841</u>	

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

	2014		2013	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 35,200	6.99	\$ 50,000	11.27
Miscellaneous-From Other Than Sewer Service Charges	48,488	9.62	3,902	0.88
Collection of Sewer Service Charges	<u>420,113</u>	<u>83.39</u>	<u>389,737</u>	<u>87.85</u>
Total Income	<u>503,801</u>	<u>100.00</u>	<u>443,639</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	400,500	94.19	388,850	97.21
Capital Improvements	10,000	2.35	10,000	2.50
Debt Service	13,500	3.17		
Deffered Charges & Statutory Expenditures	<u>1,200</u>	<u>0.28</u>	<u>1,150</u>	<u>0.29</u>
Total Expenditures	<u>425,200</u>	<u>100.00</u>	<u>400,000</u>	<u>100.00</u>
Statutory Excess to Fund Balance	78,601		43,639	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>79,780</u>		<u>86,141</u>	
	158,381		129,780	
Less: Utilization as Anticipated Revenue	<u>35,200</u>		<u>50,000</u>	
Fund Balance December 31,	<u>\$ 123,181</u>		<u>\$ 79,780</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	
2014*	\$ -	\$ 0.09	\$ 0.39	\$ 1.37	\$ 0.61	\$ 2.46
2013	-	-	0.33	1.11	0.51	1.95
2012	-	-	0.35	1.08	0.52	1.95
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

\* 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
2014*	\$ 629,009,734	\$ 670,270,971	93.84%
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%

\* Revalued/Reassessed

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

Year	Tax Levy	Cash Collections	Percentage of Collections
2014	\$ 15,534,767	\$ 15,286,853	98.40%
2013	14,846,969	14,461,715	97.41%
2012	14,931,139	14,704,177	98.48%
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
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
2014 (1)	6,480,600	525,191,400	429,300	16,026,211	68,119,310	11,231,600	627,478,421

(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
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%
2014	91,392	246,982	338,374	2.18%

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**

Year	Levy	Cash Collections	Percentage of Collections
2014	\$ 433,011	\$ 420,113	97.02%
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%

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	Year	Dec. 31,	Utilized in Budget of Succeeding Year
Current Fund	2014	\$ 2,019,743	\$ 695,000
	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
Sewer Utility	2014	123,181	59,600
	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

TOWNSHIP OF HOLLAND  
 STATISTICAL DATA  
 DEBT INCURRING CAPACITY AS OF DECEMBER 31, 2014

## Municipal:

1	Equalized Valuations of Real Property (2014, 2013, 2012)	\$ 704,610,117
2	Permitted Municipal Debt Limitation (3.5% of \$704,610,117)	24,661,354
3	Net Debt Issued, Outstanding & Authorized	-
4	Excess School Borrowing	-
5	Total Charges to Borrowing Margin	-
6	Remaining Municipal Borrowing Capacity	<u>\$ 24,661,354</u>

## Regional Grammar School District:

1	Permitted School District Debt Limitation (3.0% of \$704,610,117)	\$ 21,138,304
2	Debt Issued, Outstanding & Authorized	-
3	Remaining Local School Borrowing Capacity	<u>\$ 21,138,304</u>

**GROSS & STATUTORY NET DEBT AS OF DECEMBER 31,**

Year	Gross Debt	Statutory Net Debt	
	Amount	Amount	Percentage
2014	\$ 1,265,488	\$ -	0.00%
2013	1,420,847	-	0.00%
2012	1,206,901	155,492	0.02%
2011	1,693,499	206,900	0.03%
2010	2,092,021	206,900	0.03%
2009	3,322,652	1,045,000	0.12%
2008	3,502,184	825,000	0.10%
2007	4,425,974	1,300,000	0.16%

TOWNSHIP OF HOLLAND  
 STATISTICAL DATA  
 STATEMENT OF INDEBTEDNESS AS OF DECEMBER 31, 2014

General Purposes:

Bonds, Notes and Loans Issued and Outstanding:

Bonds	\$ -	
Notes	-	
Bonds and Notes Authorized but not Issued	-	\$ -

Sewer Utility Purposes:

Bonds, Notes and Loans Issued and Outstanding:

Bonds	-	
Notes	522,500	
Bonds and Notes Authorized but not Issued	-	522,500

Grammar School District:

Bonds, Notes and Loans Issued and Outstanding:

Bonds	-	
Notes	-	
Bonds and Notes Authorized but not Issued	-	-

Regional High School District:

Bonds, Notes and Loans Issued and Outstanding:

Bonds	742,988	
Notes	-	
Bonds and Notes Authorized but not Issued	-	742,988

Total Gross Debt

1,265,488

Statutory Deductions:

Municipal	-	
Utility	522,500	
Grammar School District:	-	
Regional High School District	742,988	1,265,488

Total Net Debt

\$ -

	Debt Outstanding	Estimated % Applicable		
Overlapping Debt as of December 31, 2014:	\$ -	100.00%	\$	-
Grammar School District Debt	-	100.00%	\$	-
Regional High School District Debt	2,580,000	29.00%		742,988
County Debt	70,347,424	3.37%		2,370,708
				\$ 3,113,696

TOWNSHIP OF HOLLAND  
STATISTICAL DATA

STATEMENT OF INDEBTEDNESS AS OF DECEMBER 31, 2014 (Cont'd)

Gross Debt (\$1,265,488):

Per Capita (Population 2010 Census-5,124)	\$	247
Percent of Average Equalized Valuation Basis (2014-\$704,610,117)		0.18%
Percent of Net Valuation Taxable (2014-\$629,009,734)		0.20%

Net Municipal Debt (\$2,862,965):

Per Capita (Population 2010 Census-5,124)	\$	-
Percent of Average Equalized Valuation Basis (2014-\$704,610,117)		0.00%
Percent of Net Valuation Taxable (2014-\$629,009,734)		0.00%

Overall Debt (Gross and Overlapping Debt-\$2,370,708):

Per Capita (Population 2010 Census-5,124)	\$	710
Percent of Average Equalized Valuation Basis (2014-\$704,610,117)		0.52%
Percent of Net Valuation Taxable (2014-\$629,009,734)		0.58%

TOWNSHIP OF HOLLAND  
 SCHEDULE OF INSURANCE  
 YEAR ENDED DECEMBER 31, 2014  
 (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>
Anthony Roselle	Mayor
Daniel Bush	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
Kay Winzenried	Tax Collector
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:

Road Materials  
Bellis Road Project  
Lawn Maintenance  
Community Center Chiller  
Rummel Road Resurfacing  
Snow and Ice Control Materials  
Emergency Repairs to River Road  
Bethany Ridge Gutter Replacement Project  
Gutters on Riegel Ridge Community Center  
(2) 2015 Ford F350 4 Wheel Drive Diesel Pickups  
Painting and Refurbishment of Riegel Ridge Pool  
Electrical Work for Emergency Management Office

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  
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, 2014, 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 in 2014 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>
2014	1
2013	1
2012	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.
  - b. Vendor's affidavits and receiving signatures not evident on all applicable expenditure forms.
4. Riegel Ridge Community Center:
  - a. Deposits were not made within 48 hours of receipts as required by state statute.

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.
4. Vendor's affidavits and receiving signatures are to be evident on all applicable expenditure forms.

**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 22, 2015.

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.




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