

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
REPORT OF AUDIT
2015**

**BEDARD KUROWICKI & CO., CPA'S PC
CERTIFIED PUBLIC ACCOUNTANTS**

**TOWNSHIP OF HOLLAND
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Exhibit</u>		<u>Page</u>
	PART I	
	Independent Auditor's Report	2-4
	FINANCIAL STATEMENTS-REGULATORY BASIS	
	<u>Current Fund</u>	
A	Comparative Balance Sheet-Regulatory Basis	6-7
A-1	Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	8
A-2	Statement of Revenues-Regulatory Basis	9-11
A-3	Statement of Expenditures-Regulatory Basis	12-19
	<u>Trust Fund</u>	
B	Comparative Balance Sheet-Regulatory Basis	20
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet-Regulatory Basis	21
C-1	Comparative Statement of Fund Balance-Regulatory Basis	22
	<u>Sewer Utility Fund</u>	
D	Comparative Balance Sheet-Regulatory Basis	23-24
D-1	Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	25
D-2	Comparative Statement of Sewer Capital Fund Balance - Regulatory Basis	26
D-3	Statement of Revenues-Regulatory Basis	27
D-4	Statement of Expenditures-Regulatory Basis	28
	<u>General Fixed Assets Account Group</u>	
E	Statement of General Fixed Assets-Regulatory Basis	29
	Notes to Financial Statements	31-57
	SUPPLEMENTARY DATA	
	<u>Current Fund</u>	
A-4	Schedule of Current Fund Cash-Treasurer	60-61
A-5	Schedule of Current Fund Cash and Reconciliation-Treasurer Per N.J.S. 40A:5-5	62
A-6	Schedule of Current Fund Cash-Collector	63
A-7	Schedule of Current Fund Cash and Reconciliation-Collector Per N.J.S. 40A:5-5	63
A-8	Schedule of Change Funds	64
A-9	Schedule of Taxes Receivable and Analysis of Property Tax Levy	65-66
A-10	Schedule of Tax Title Liens Receivable	67
A-11	Schedule of Property Acquired for Taxes-Assessed Valuation	64
A-12	Schedule of Revenue Accounts Receivable	68

**TOWNSHIP OF HOLLAND
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Exhibit</u>		<u>Page</u>
PART I (Continued)		
SUPPLEMENTARY DATA (Continued)		
<u>Current Fund (Continued)</u>		
A-13	Schedule of Due from Animal Control Fund	69
A-14	Schedule of Deferred Charges-Special Emergency Authorization	70
A-15	Schedule of Due from Regular Fund	71
A-16	Schedule of Grant Funds Receivable	72
A-17	Schedule of Appropriation Reserves	73-76
A-18	Schedule of Encumbrances Payable	77
A-19	Schedule of Due from/to State of New Jersey-Veterans' and Senior Citizens' Deductions	77
A-20	Schedule of Due to/from Clearing Account	78
A-21	Schedule of Due to Payroll Account	78
A-22	Schedule of Due to Other Trust Funds	79
A-23	Schedule of Due to General Capital Fund	79
A-24	Schedule of Due to Federal and State Grant Fund	80
A-25	Schedule of Due to Sewer Operating Fund	80
A-26	Schedule of Due to Outside Lienholders	81
A-27	Schedule of Prepaid Taxes	82
A-28	Schedule of Tax Overpayments	82
A-29	Schedule of Regional High School Tax Payable	83
A-30	Schedule of Local School Tax Payable	84
A-31	Schedule of County Taxes Payable	85
A-32	Schedule of Fees Payable to Outside Agencies	86
A-33	Schedule of Reserve for Tax Appeals	86
A-34	Schedule of Reserve for Veterans Day Celebration	87
A-35	Schedule of Reserve for Revaluation	87
A-36	Schedule of Appropriated Reserves for Grants	88-89
A-37	Schedule of Unappropriated Reserve for Grants	90
A-38	Schedule of Encumbrances Payable Grant Fund	90
A-39	Schedule of Due to General Capital Fund	91
<u>Trust Fund</u>		
B-1	Schedule of Trust Fund Cash-Treasurer	93
B-2	Schedule of Trust Fund Cash and Reconciliation-Treasurer Per N.J.S. 40A:5-5	94
B-3	Schedule of Due to Payroll-Animal Control Fund	95
B-4	Schedule of Due to State of New Jersey	95
B-5	Schedule of Reserve for Animal Control Fund Expenditures	96
B-6	Schedule of Due to Current Fund-Animal Control Fund	97
B-7	Schedule of Reserve for Encumbrances-Animal Control Fund	97
B-8	Schedule of Loans Receivable	98
B-9	Schedule of Reserve for Escrow Funds	98
B-10	Schedule of Reserve for Small Cities Revolving Loan	99
B-11	Schedule of Reserve for Recreational and Community Services	99
B-12	Schedule of Reserve for Development Fees	100
B-13	Schedule of Reserve for Tax Sale Premiums	100

**TOWNSHIP OF HOLLAND
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Exhibit</u>	PART I (Continued)	<u>Page</u>
	SUPPLEMENTARY DATA (Continued)	
	<u>Trust Fund (Continued)</u>	
B-14	Schedule of Reserve for Snow Removal	101
B-15	Schedule of Reserve for First Aid Squad	101
B-16	Schedule of Interfunds-Other Trust Funds	102
B-17	Schedule of Reserve for Clearing Account	103
B-18	Schedule of Reserve for Payroll Account	104
B-19	Schedule of Reserve for Future Legal Expenses	105
B-20	Schedule of Reserve for Performance Bond	105
B-21	Schedule of Reserve for POAA	106
	<u>General Capital Fund</u>	
C-2	Schedule of General Capital Fund Cash-Treasurer	108
C-3	Schedule of General Capital Fund Cash and Reconciliation-Treasurer Per N.J.S. 40A:5-5	108
C-4	Schedule of Cash Activity	109-110
C-5	Schedule of Due from Current Fund	111
C-6	Schedule of Due from Clearing Account	111
C-7	Schedule of Improvement Authorizations	112
C-8	Schedule of Encumbrances Payable	113
C-9	Schedule of Capital Improvement Fund	113
C-10	Schedule of Reserve for Capital Projects	114
C-11	Schedule of NJ D.O.T. Grants Receivable	115
C-12	Schedule of Due from Federal and State Grant Fund	115
	<u>Sewer Utility Fund</u>	
D-5	Schedule of Sewer Utility Fund Cash-Treasurer	117
D-6	Schedule of Sewer Utility Fund Cash and Reconciliation-Treasurer Per N.J.S. 40A:5-5	117
D-7	Schedule of Sewer Utility Fund Cash-Collector	118
D-8	Schedule of Sewer Utility Fund Cash and Reconciliation-Collector Per N.J.S. 40A:5-5	118
D-9	Schedule of Due from Payroll Account	119
D-10	Schedule of Consumer Accounts Receivable	119
D-11	Schedule of Deferred Charges-Emergency Authorization	120
D-12	Schedule of Fixed Capital	120
D-13	Schedule of Fixed Capital Authorized and Uncompleted	121
D-14	Schedule of Due from Sewer Operating Fund	122
D-15	Schedule of Appropriation Reserves	123
D-16	Schedule of Encumbrances Payable	124
D-17	Schedule of Sewer Rent Overpayments	124
D-18	Schedule of Prepaid Sewer Rents	125
D-19	Schedule of Accrued Interest on Notes	125
D-20	Schedule of Due to Current Fund	126
D-21	Schedule of Due to Sewer Capital Fund	126
D-22	Schedule of Improvement Authorizations	127
D-23	Schedule of Reserve for Amortization	128
D-24	Schedule of Encumbrances Payable	128
D-25	Schedule of Deferred Reserve for Amortization	129

**TOWNSHIP OF HOLLAND
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Exhibit</u>		<u>Page</u>
	PART I (Continued)	
	SUPPLEMENTARY DATA (Continued)	
	<u>Sewer Utility Fund (Continued)</u>	
D-26	Schedule of Reserve for Alteration of Sewer System	130
D-27	Schedule of Capital Improvement Fund	130
D-28	Schedule of Bond Anticipation Notes Payable	131
	PART II	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	133-134
Schedule 1	Schedule of Expenditures of State Awards	135
	Notes to Schedule of Expenditures of State Awards	136
	PART III	
	Statistical Data	139-147
	Insurance Schedule	148
	Schedule of Officials	149
	General Comments	151-153
	Recommendations	154

TOWNSHIP OF HOLLAND
PART I
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2015 AND 2014



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements - *regulatory basis* of the various funds and account group of the Township of Holland (the Municipality), as of and for the years then ended December 31, 2015 and 2014, and the related notes to the financial statements which collectively comprise the Municipality's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"). 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Municipality'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 Municipality'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 U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Municipality on the basis of financial reporting provisions of the division, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* 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, 2015 and 2014, or the changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Municipality as of December 31, 2015 and 2014, and the results of operations and changes in fund balance of such funds, thereof for the years then ended in accordance with the basis of financial reporting prescribed by the Division on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Municipality's financial statements. The supplementary information listed in the Table of Contents and Schedule of Expenditures of State Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants. State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the Table of Contents and the Schedules of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the information labeled unaudited, has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 13, 2016 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.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC



William M. Colantano
Certified Public Accountant
Registered Municipal Accountant

FINANCIAL STATEMENTS-REGULATORY BASIS

**TOWNSHIP OF HOLLAND
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS**

	Ref.	Balance 12/31/15	Balance 12/31/14
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 8,553,622	\$ 8,672,371
Collector	A-6	120,733	444,454
Change Funds	A-8	800	800
Due from State of NJ Veterans' & Senior Citizens' Deductions	A-19	-	1,257
		8,675,155	9,118,882
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	216,132	246,952
Tax Title Liens Receivable	A-10	91,392	91,392
Property Acquired for Taxes-Assessed Valuation	A-11	194,300	359,300
Revenue Accounts Receivable	A-12	299	611
Due from Clearing Account	A-20	4,111	-
Due from Animal Control Fund	A-13	-	9
		506,234	698,264
Deferred Charges:			
Special Emergency Authorizations	A-14	20,745	111,200
		20,745	111,200
		9,202,134	9,928,346
Federal & State Grant Fund:			
Cash	A-4	56,823	89,112
Due from Regular Fund	A-15		923
Grant Funds Receivable	A-16	324,573	299,083
		381,396	389,118
TOTAL ASSETS		\$ 9,583,530	\$ 10,317,464

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance 12/31/15	Balance 12/31/14
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-17	\$ 611,655	\$ 500,805
Encumbrances Payable	A-18	41,360	64,298
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-19	1,743	-
Due to Clearing Account	A-20	-	2,122
Due to Payroll Account	A-21	-	15,655
Due to Other Trust Funds	A-22	-	61,760
Due to General Capital Fund	A-23	-	588,012
Due to Federal and State Grant Fund	A-24	-	923
Due to Outside Lienholders	A-26	2,495	-
Prepaid Taxes	A-27	138,276	69,025
Tax Overpayments	A-28	4,558	9,707
Regional High School Taxes Payable	A-29	1,422,004	1,501,990
Local School Tax Payable	A-30	4,385,854	4,317,014
County Tax Payable	A-31	7,319	720
Fees Payable to Outside Agencies	A-32	-	150
Reserve for Tax Appeals	A-33	19,583	12,800
Reserve for Veterans Day Celebration	A-34	200	200
Reserve for Revaluation	A-35	-	65,158
		<u>6,635,047</u>	<u>7,210,339</u>
Reserve for Receivables	A	506,234	698,264
Fund Balance	A-1	<u>2,060,853</u>	<u>2,019,743</u>
		<u>9,202,134</u>	<u>9,928,346</u>
Federal & State Grant Fund:			
Appropriated Reserves for State Grants	A-36	247,517	335,641
Unappropriated Reserve for State Grants	A-37	1,005	35,620
Encumbrances Payable	A-38	32,874	17,857
Due to General Capital Fund	A-39	100,000	-
		<u>381,396</u>	<u>389,118</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 9,583,530</u></u>	<u><u>\$ 10,317,464</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	For the Year	
		2015	2014
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 695,000	\$ 1,346,453
Miscellaneous Revenue Anticipated	A-2	3,351,751	3,285,318
Receipts from Delinquent Taxes	A-2	245,003	228,425
Receipts from Current Taxes	A-2	15,908,743	15,274,053
Nonbudget Revenue	A-2	100,154	80,019
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	429,184	356,602
Unexpended Balance of Encumbrances Payable	A-18	2,523	-
Tax Overpayments Canceled	A-28	52	228
Total Income		<u>20,732,410</u>	<u>20,571,098</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,896,750	1,870,750
Other Expenses	A-3	2,227,677	2,185,746
Capital Improvements	A-3	500,000	525,000
Deferred Charges & Statutory Expenditures	A-3	401,380	376,412
Regional High School Taxes	A-29	3,667,966	3,827,933
Local District School Taxes	A-30	8,771,709	8,634,029
County Taxes	A-31	2,452,586	2,466,144
County Share of Added Taxes	A-31	7,319	720
Interfunds Advanced (Net)	A-2	4,102	9
Prior Year Senior Citizens Deduction Denied	A-19	1,500	-
Prior Year Refunds-Due to Sewer Operating	A-25	4,573	-
Prior Year Refunds-Tax Appeals Adjustments	A-28	41,155	-
Prior Year Refunds-Tax Appeals Reserve Applied	A-33	19,583	-
Total Expenditures		<u>19,996,300</u>	<u>19,886,743</u>
Excess in Revenue		736,110	684,355
FUND BALANCE			
Balance January 1,	A	<u>2,019,743</u>	<u>2,681,841</u>
		2,755,853	3,366,196
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>695,000</u>	<u>1,346,453</u>
Balance December 31,	A	<u>\$ 2,060,853</u>	<u>\$ 2,019,743</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	A-1	\$ 695,000	-	\$ 695,000	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-12	5,000	-	2,876	(2,124)
Fines and Costs:					
Municipal Court	A-12	14,000	-	8,208	(5,792)
Interest & Cost on Taxes	A-6	57,000	-	56,386	(614)
Interest on Investments and Deposits	A-2	13,000	-	21,295	8,295
Swimming Pool Fees	A-12	93,000	-	93,387	387
Riegel Ridge Community Center Fees	A-12	330,000	-	352,022	22,022
Snack Bar Fees	A-12	22,000	-	20,277	(1,723)
Recreation Committee Activities	A-12	3,400	-	3,543	143
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	-
NJ Highlands Water Protection and Planning Council	A-16	-	25,000	25,000	(25,000)
New Jersey Historical Commission	A-16	-	3,000	3,000	(3,000)
New Jersey Environmental Commissions (ANJEC)	A-16	-	1,480	1,480	(1,480)
Recycling Tonnage Grant-2014 Reserve	A-16	33,698	-	33,698	-
Clean Communities Program-2015	A-16	-	17,722	17,722	(17,722)
Body Armor Grant	A-16	922	-	922	-
Health Wellness Grant	A-16	1,000	-	1,000	-
Receipts from Delinquent Taxes	A-1	3,283,955	47,202	3,351,751	(26,608)
Property Tax for Support of Municipal Budget Appropriations:	A-1;A-2	224,500		245,003	20,503
Local Tax for Municipal Purposes	A-2	1,193,612	-	1,408,042	214,430
Budget Totals		5,397,067	47,202	5,699,796	\$ 208,325
Nonbudget Revenues	A-1;A-2			100,154	
		<u>\$ 5,397,067</u>	<u>\$ 47,202</u>	<u>\$ 5,799,950</u>	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.			
Allocation of Current Tax Collections				
Tax Collections	A-1;A-9			\$ 15,908,743
Allocated to:				
Local District School Taxes	A-9		\$ 8,771,709	
Regional High School Taxes	A-9		3,667,966	
County Taxes	A-9		2,459,905	
				14,899,580
Balance for Support of Municipal Budget Appropriations				1,009,163
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3			418,462
				1,427,625
Less: Reserve for Tax Appeals	A-1:A-33			19,583
Realized for Support of Municipal Budget	A-2			\$ 1,408,042
Delinquent Tax Collections				
2013 Taxes Receivable	A-9			\$ 250
2014 Taxes Receivable	A-9			244,753
				\$ 245,003
Interest on Investments				
Treasurer	A-4			\$ 14,201
Tax Collector	A-6			1,143
Animal Control Fund	A-13			21
Clearing Account	A-20			1,670
Other Trust Fund	A-22			104
General Capital Fund	A-23			4,298
Federal and State Grant Fund	A-24			166
Total	A-2			\$ 21,603
Interfund Analysis				
	Ref.	Balance 12/31/15	Balance 12/31/14	Increase (Decrease)
Due from Animal Control Fund	A-13	\$ -	\$ 9	\$ (9)
Due from Clearing Account	A-20	4,111	-	4,111
	A-1	\$ 4,111	\$ 9	\$ 4,102

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Nonbudget Revenue	Ref.		
Treasurer:			
Cell Tower Rent		\$ 9,522	
Other Rents		400	
Cable TV Franchise Fee		17,460	
Clerk Other Licenses & Fees		489	
Perc Test Fees		2,282	
Recycling Receipts		6,275	
Planning Board & Board of Adjustment		1,400	
Zoning Receipts		12,384	
Road Openings & Driveway Permits		630	
Food Licenses		1,400	
Property Lists		285	
Police Fees		455	
Veterans' & Seniors Citizens'-Administrative Fees		1,540	
Miscellaneous Other		2,821	
Refunds		21,754	
OPRA Fees		149	
Burial Permits		4,370	
Sale of History Books		281	
Insurance Proceeds		775	
Sale of Municipal Assets		400	
	A-4		\$ 85,072
Tax Collector:			
Miscellaneous Fees		10	
Cost of Tax Sale		1,133	
Bank Errors and NSF Deposit Fees		(2,536)	
	A-6		(1,393)
Treasurer			
Sale of Property Acquired for Taxes	A-11		1,557
Clearing Fund Trust:			
Sale of Municipal Assets	A-20		14,918
	A-2		\$ 100,154

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	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	45,000	43,915	1,085	-	-
Municipal Clerk:						
Salaries and Wages	102,500	102,500	100,373	2,127	-	-
Miscellaneous Other Expenses	25,000	25,000	14,225	10,775	-	-
Financial Administration:						
Salaries and Wages	65,000	65,000	54,863	10,137	-	-
Other Expenses	25,000	25,000	17,713	7,287	-	-
Audit Services	19,000	19,000	19,000	-	-	-
Assessment of Taxes:						
Salaries and Wages	38,000	38,000	37,958	42	-	-
Other Expenses	5,000	5,000	1,322	3,678	-	-
Revenue Administration:						
Salaries and Wages	26,000	26,000	25,469	531	-	-
Other Expenses	6,000	6,000	5,999	1	-	-
Legal Services and Costs:						
Other Expenses	140,000	140,000	56,286	83,714	-	-
Engineering Services & Costs:						
Other Expenses	20,000	20,000	6,572	13,428	-	-
Municipal Court:						
Salaries and Wages	18,000	13,000	10,865	2,135	-	-
Other Expenses	9,200	14,200	13,387	813	-	-
Municipal Prosecutor:						
Salaries and Wages	7,400	7,400	7,368	32	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Continued)						
General Government: (Continued)						
Public Buildings and Grounds:						
Salaries and Wages	\$ 60,000	\$ 60,000	\$ 56,024	\$ 3,976	\$ -	\$ -
Other Expenses	165,000	165,000	146,149	18,851	-	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	12,500	12,500	10,863	1,637	-	-
Other Expenses	38,000	38,000	22,586	15,414	-	-
Zoning Board of Adjustment:						
Salaries and Wages	13,500	13,500	12,773	727	-	-
Other Expenses	9,000	9,000	3,158	5,842	-	-
Zoning Officer:						
Salaries and Wages	13,000	13,000	11,000	2,000	-	-
Other Expenses	1,000	1,000	-	1,000	-	-
Public Safety:						
Fire:						
Other Expenses	23,500	23,500	8,011	15,489	-	-
Aid to Volunteer Fire Company	70,000	70,000	70,000	-	-	-
Police:						
Salaries and Wages	634,000	634,000	589,524	44,476	-	-
Other Expenses	80,555	80,555	77,492	3,063	-	-
First Aid Organization-Contribution	70,000	70,000	54,944	15,056	-	-
Office of Emergency Management:						
Salaries and Wages	6,800	6,800	6,491	309	-	-
Other Expenses	10,000	10,000	8,474	1,526	-	-
Public Defender:						
Salaries and Wages	1,350	1,350	1,278	72	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	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	\$ 474,000	\$ 444,428	\$ 29,572	\$ -	\$ -
Other Expenses	220,300	220,300	171,751	48,549	-	-
Snow Removal:						
Other Expenses	65,000	65,000	59,346	5,654	-	-
Environmental Commission-Recycling:						
Salaries and Wages	30,000	30,000	881	29,119	-	-
Other Expenses	22,500	22,500	831	21,669	-	-
Health and Human Services:						
Board of Health:						
Salaries and Wages	1,500	1,500	969	531	-	-
Other Expenses	2,900	2,900	2,100	800	-	-
Environmental Health Services:						
Other Expenses	3,000	3,000	2,800	200	-	-
Animal Control:						
Other Expenses	10,000	10,000	10,000	-	-	-
Parks and Recreation:						
Recreation Committee:						
Salaries and Wages	1,500	1,500	881	619	-	-
Other Expenses	10,000	10,000	3,310	6,690	-	-
Riegel Ridge Community Center:						
Salaries and Wages	280,000	272,500	268,257	4,243	-	-
Other Expenses	120,000	127,500	124,322	3,178	-	-
Swimming Pool:						
Salaries and Wages	77,000	87,000	84,434	2,566	-	-
Other Expenses	44,000	34,000	29,320	4,680	-	-
Snack Bar:						
Salaries and Wages	15,000	15,000	12,756	2,244	-	-
Other Expenses	25,000	25,000	17,889	7,111	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Continued)						
Parks and Recreation:(Continued)						
Historical Preservation Commission:						
Salaries and Wages	\$ 1,100	\$ 1,100	\$ 793	\$ 307	\$ -	\$ -
Other Expenses	7,000	7,000	2,970	4,030	-	-
Agriculture Advisory Committee:						
Salaries and Wages	1,100	1,100	-	1,100	-	-
Other Expenses	11,400	11,400	2,080	9,320	-	-
Insurance:						
Worker's Compensation Insurance	130,000	130,000	124,596	5,404	-	-
Group Insurance Plan for Employees	65,000	65,000	61,550	3,450	-	-
General Liability Insurance	320,000	320,000	287,704	32,296	-	-
Utilities:						
Electricity	90,000	90,000	74,195	15,805	-	-
Street Lighting	45,000	45,000	32,303	12,697	-	-
Telephone	28,000	28,000	25,174	2,826	-	-
Fuel Oil	20,000	20,000	5,032	14,968	-	-
Gasoline and Diesel	65,000	60,000	27,249	32,751	-	-
Natural Gas	22,000	22,000	15,632	6,368	-	-
Trash Removal Dumpster	30,000	30,000	15,300	14,700	-	-
Total Operations Within "CAPS"	4,011,605	4,011,605	3,422,935	588,670	\$ -	\$ -
Contingent	-	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	4,011,605	4,011,605	3,422,935	588,670	-	-
Detail:						
Salaries and Wages	1,899,250	1,896,750	1,758,248	138,502	-	-
Other Expenses (Including Contingent)	2,112,355	2,114,855	1,664,687	450,168	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Deferred Charges & Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 90,247	\$ 90,247	\$ 90,247	\$ -	\$ -	\$ -
Social Security System (OASI)	150,000	150,000	131,404	18,596	-	-
Police & Firemen's Retirement System	118,833	118,833	118,833	-	-	-
DCRP Contribution	5,000	5,000	838	4,162	-	-
Unemployment Insurance	9,500	9,500	9,273	227	-	-
Total Deferred Charges & Statutory Expend- Municipal Within "CAPS"	373,580	373,580	350,595	22,985	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,385,185	4,385,185	3,773,530	611,655	-	-
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
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Excluded from "CAPS": (Continued)						
Other Operations Excluded from "CAPS": (Continued)						
Public & Private Programs Offset by Revenues:						
Recycling Tonnage Grant:						
Other Expenses	\$ 33,698	\$ 33,698	\$ 33,698	\$ -	\$ -	\$ -
Clean Communities Program:						
Other Expenses	-	17,722	17,722	-	-	-
NJ Highlands Water Protection and Planning Council:						
Other Expenses	-	25,000	25,000	-	-	-
Body Armor Grant:						
Other Expenses	922	922	922	-	-	-
New Jersey Historical Commission:						
Other Expenses	-	3,000	3,000	-	-	-
Health Wellness Grant:						
Other Expenses	1,000	1,000	1,000	-	-	-
New Jersey Environmental Commissions (ANJEC):						
Other Expenses	-	1,480	1,480	-	-	-
Total Operations Excluded from "CAPS"	65,620	112,822	112,822	-	-	-
Detail:						
Other Expenses	65,620	112,822	112,822	-	-	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	300,000	300,000	300,000	-	-	-
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 Purchase of Police Equipment	35,000	35,000	35,000	-	-	-
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"	500,000	500,000	500,000	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Deferred Charges-Municipal-Excluded from "CAPS":						
Deferred Charges:						
Special Emergency Authorizations-5 years	\$ 27,800	\$ 27,800	\$ 27,800	\$ -	\$ -	\$ -
Total Deferred Charges-Municipal-Excluded from "CAPS"	<u>27,800</u>	<u>27,800</u>	<u>27,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total General Appropriations for Municipal Purposes Excluded from "CAPS"	 593,420	 640,622	 640,622	 -	 -	 -
Subtotal General Appropriations	4,978,605	5,025,807	4,414,152	611,655	-	-
Reserve for Uncollected Taxes	418,462	418,462	418,462	-	-	-
 Total General Appropriations	 <u>\$ 5,397,067</u>	 <u>\$ 5,444,269</u>	 <u>\$ 4,832,614</u>	 <u>\$ 611,655</u>	 <u>\$ -</u>	 <u>\$ -</u>
<u>Ref.</u>	A-2	A-3	A-1;A-3	A;A-1		A

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
<u>Paid or Charged</u>		
Cash Disbursed	A-4	\$ 1,918,686
Reserve for Uncollected Taxes	A-2	418,462
Due from Animal Control Fund	A-13	10,000
Special Emergency Authorizations	A-14	27,800
Encumbrances Payable	A-18	40,114
Due from Payroll Account	A-21	1,849,122
Due to General Capital Fund	A-23	500,000
Appropriated Reserve for Grants	A-36	<u>82,822</u>
		4,847,006
 Less:		
Refunds	A-4	<u>14,392</u>
	A-3	<u><u>\$ 4,832,614</u></u>
 <u>Appropriations</u>		
Budget	A-2	\$ 5,397,067
Added by NJSA 40A:4-87	A-2	<u>47,202</u>
	A-3	<u><u>\$ 5,444,269</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS**

	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 11,597	\$ 13,471
		<u>11,597</u>	<u>13,471</u>
Other Trust Funds:			
Cash-Treasurer	B-1	683,531	580,442
Loans Receivable	B-8	400,280	400,280
Interfunds Receivable	B-16		66,488
		<u>1,083,811</u>	<u>1,047,210</u>
TOTAL ASSETS		<u><u>\$ 1,095,408</u></u>	<u><u>\$ 1,060,681</u></u>
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-5	\$ 11,581	\$ 11,021
Reserve for Encumbrances	B-7	-	1,590
Due to Payroll	B-3	-	840
Due to State of New Jersey	B-4	16	11
Due to Current Fund	B-6	-	9
		<u>11,597</u>	<u>13,471</u>
Other Trust Funds:			
Reserve for Escrow Funds	B-9	249,418	248,294
Reserve for Small Cities Revolving Loan	B-10	476,009	475,858
Reserve for Recreational and Community Services	B-11	1,500	1,497
Reserve for Development Fees	B-12	5,505	4,669
Reserve for Tax Sale Premiums	B-13	103,900	74,200
Reserve for Snow Removal	B-14	42,064	52,571
Reserve for First Aid Squad	B-15	25,600	25,600
Reserve for Clearing Account	B-17	-	2,612
Reserve for Payroll Account	B-18	45,594	32,078
Reserve for Future Legal Expenses	B-19	15,039	15,010
Reserve for Performance Bond	B-20	115,063	114,817
Reserve for POAA	B-21	8	4
Due to Current Fund	B-16	4,111	-
		<u>1,083,811</u>	<u>1,047,210</u>
TOTAL LIABILITIES AND RESERVES		<u><u>\$ 1,095,408</u></u>	<u><u>\$ 1,060,681</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
ASSETS			
Cash	C-2	\$ 2,559,509	\$ 2,564,564
Due from Current Fund	C-5	-	588,012
Due from Clearing Account	C-6	-	6
NJ D.O.T. Grants Receivable	C-11	155,000	-
Due from Federal and State Grant Fund	C-12	100,000	-
TOTAL ASSETS		<u>\$ 2,814,509</u>	<u>\$ 3,152,582</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded	C-7	\$ 696,095	\$ 730,461
Encumbrances Payable	C-8	204,443	553,150
Capital Improvement Fund	C-9	1,034,392	1,079,392
Reserve for Capital Projects	C-10	719,569	629,569
Fund Balance	C-1	160,010	160,010
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,814,509</u>	<u>\$ 3,152,582</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Ref.</u>	<u>For the Years Ended</u>	
		<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Balance January 1	C	<u>\$ 160,010</u>	<u>\$ 160,010</u>
Balance December 31	C	<u><u>\$ 160,010</u></u>	<u><u>\$ 160,010</u></u>

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

	Ref.	Balance 12/31/15	Balance 12/31/14
ASSETS			
Operating Fund:			
Cash:			
Treasurer	D-5	\$ 94,830	\$ 132,131
Collector	D-7	25,931	4,443
Due from Payroll Account	D-9	-	9,554
		120,761	146,128
Receivables with Full Reserves:			
Sewer Service Charges Receivable	D-10	40,017	39,192
		40,017	39,192
Deferred Charges:			
Emergency Appropriations	D-11	42,000	-
		42,000	-
Total Operating Fund		202,778	185,320
Capital Fund:			
Cash:			
Treasurer	D-5	606,693	636,801
Fixed Capital	D-12	900,000	900,000
Fixed Capital Authorized and Uncompleted	D-13	650,000	650,000
Due from Sewer Operating Fund	D-14	-	7,560
Total Capital Fund		2,156,693	2,194,361
TOTAL ASSETS		\$ 2,359,471	\$ 2,379,681

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance 12/31/15	Balance 12/31/14
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4;D-15	\$ 10,163	\$ 13,677
Encumbrances Payable	D-16	523	308
Sewer Rent Overpayments	D-17	17	306
Prepaid Sewer Rents	D-18	843	428
Accrued Interest on Notes	D-19	1,252	668
Due to Sewer Capital Fund	D-21	-	7,560
		12,798	22,947
Reserve for Receivables	D	40,017	39,192
Fund Balance	D-1	146,486	123,181
Total Operating Fund		199,301	185,320
Capital Fund:			
Bond Anticipation Note Payable	D-28	500,000	522,500
Improvement Authorizations	D-22	542,252	592,816
Reserve for Amortization	D-23	900,000	900,000
Encumbrances Payable	D-24	926	-
Deferred Reserve for Amortization	D-25	150,000	127,500
Reserve for Alteration of Sewer System	D-26	30,000	30,000
Capital Improvement Fund	D-27	31,545	21,545
Capital Fund Balance	D-2	1,970	-
Total Capital Fund		2,156,693	2,194,361
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 2,355,994	\$ 2,379,681

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

	Ref.	For the Years Ended	
		2015	2014
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 59,600	\$ 35,200
Sewer Service Charges	D-3	476,204	420,113
Miscellaneous	D-3	5,457	41,099
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	13,677	7,389
Total Income		<u>554,938</u>	<u>503,801</u>
EXPENDITURES			
Operating Expenses	D-4	476,000	400,500
Capital Improvements	D-4	10,000	10,000
Debt Service	D-4	26,533	13,500
Deferred Charges & Statutory Expenditures	D-4	1,500	1,200
Total Expenditures		<u>514,033</u>	<u>425,200</u>
Statutory Excess to Fund Balance		40,905	78,601
Adjustment to Income Before Fund Balance:			
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Years	D-4, D-11	<u>42,000</u>	<u>-</u>
Statutory Excess to Fund Balance		82,905	-
FUND BALANCE			
Balance January 1,	D	<u>123,181</u>	<u>79,780</u>
		206,086	158,381
Decreased by:			
Utilized as Anticipated Revenue	D-3	<u>59,600</u>	<u>35,200</u>
Balance December 31,	D	<u>\$ 146,486</u>	<u>\$ 123,181</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
SEWER CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE-REGULATORY BASIS**

	Ref.	For the Years Ended	
		Dec. 31, 2015	Dec. 31, 2014
Balance January 1	D	\$ -	\$ -
Increased by:			
Premium on Notes	D-5	<u>1,970</u>	<u>-</u>
Balance December 31	D	<u>\$ 1,970</u>	<u>-</u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY FUND
STATEMENT OF REVENUES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	D-1	\$ 59,600	\$ -	\$ 59,600	\$ -
Sewer Service Charges	D-10	419,000	-	476,204	57,204
		478,600	-	535,804	57,204
Non-Budget Revenue	D-3	-	-	5,457	5,457
		<u>\$ 478,600</u>	<u>\$ -</u>	<u>\$ 541,261</u>	<u>\$ 62,661</u>
	Ref.	D-4			
Analysis of Non-Budget Revenue:					
Interest on Deposits	D-3	\$ 1,546			
Interest and Costs on Payments	D-7	3,380			
Sewer Rent Overpayments Canceled	D-17	13			
Tax Sale Costs	D-20	518			
				<u>\$ 5,457</u>	
Interest on Deposits:					
Treasurer	D-5	\$ 293			
Collector	D-7	33			
Sewer Capital	D-21	1,220			
	D-3			<u>\$ 1,546</u>	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 13,000	\$ 13,000	\$ 12,408	\$ 592	\$ -	\$ -
Other Expenses:						
Miscellaneous Other Expenses	25,000	25,000	18,132	6,868	-	-
Contribution to Milford Sewer	396,000	438,000	435,881	2,119	-	-
Capital Improvements:						
Capital Improvement Fund	10,000	10,000	10,000	-	-	-
Debt Service:						
Principal on Notes	22,500	22,500	22,500	-	-	-
Interest on Notes	10,600	10,600	4,033	-	6,567	-
Statutory Expenditures:						
Contribution to:						
Social Security System	1,500	1,500	916	584	-	-
	<u>\$ 478,600</u>	<u>\$ 520,600</u>	<u>\$ 503,870</u>	<u>\$ 10,163</u>	<u>\$ 6,567</u>	<u>\$ -</u>

<u>Ref.</u>	D-3	Below	D-1; Below	D; D-1
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Analysis of Budget After Modification

Adopted Budget	D-4	\$ 478,600
Emergency Authorizations	D-11	<u>42,000</u>
		<u>\$ 520,600</u>

Analysis of Paid or Charged

Due from Payroll Account	D-9	\$ 13,324
Encumbrances Payable	D-16	454,013
Accrued Interest on Notes	D-19	4,033
Due to Sewer Capital Fund	D-21	<u>32,500</u>
	D-4	<u>\$ 503,870</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS-REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014**

	2015	2014
GENERAL FIXED ASSETS		
Land	\$ 2,439,700	\$ 2,439,700
Construction in Progress	74,480	-
Building & Building Improvements	6,802,840	6,758,455
Machinery & Equipment	4,396,145	4,199,202
	\$ 13,713,165	\$ 13,397,357

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 N.J.S.A. 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.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 (N.J.S.A. 40A:4-1). The municipality is only required to adopt budgets for the Current Fund and any Utility Fund, if applicable.

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

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

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

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

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

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.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.
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.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Departures from Generally Accepted Accounting Principles (Continued)

11. Losses arising from tax appeals and other contingencies are not recorded until paid.
12. Financial Reporting Model-These statements are not based on the requirements as promulgated by GASB Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No.27." This statement made dramatic changes to the financial reporting requirements of state and local governments as it relates to reporting for pensions for GAAP purposes. Information regarding pension activity is disclosed in Note 9.

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.

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.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposit and Investment Risk (Continued)

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 U.S. 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, 2015, the Municipality's funds were invested in the NJ Cash Management Fund and with the Hopewell Valley Community 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 N.J.S.A 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

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

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.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Sewer Utility:			
Bonds and Notes	\$ 500,000	\$ 522,500	\$ 522,500
Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 500,000</u>	<u>\$ 522,500</u>	<u>\$ 522,500</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 .075%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 596,956	\$ 596,956	\$ -
Sewer Utility Debt	<u>500,000</u>	<u>-</u>	<u>500,000</u>
	<u>\$ 1,096,956</u>	<u>\$ 596,956</u>	<u>\$ 500,000</u>

Net Debt \$500,000 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$663,859,545 equals .075%.

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 23,235,084
	<u>500,000</u>
Remaining Borrowing Power	<u>\$ 22,735,084</u>

Changes in Long-Term Debt

During the year ended December 31, 2015, the following changes occurred in long-term debt.

	<u>Balance Jan. 01, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2015</u>
Authorized But Not Issued Debt:				
Sewer Utility:				
Bonds and Notes	\$ 522,500	\$ 500,000	\$ 522,500	\$ 500,000

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016, were as follows:

Current Fund	\$ 700,000
Sewer Utility	121,750

NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

The following deferred charges are to be raised in succeeding budgets at December 31, 2015:

	<u>Balance Dec.31, 2015</u>	<u>Amount in 2016 Budget</u>	<u>Subsequent Budget Appropriation</u>
Special Emergency Authorization	<u>\$ 20,745</u>	<u>\$ 20,800</u>	<u>\$ -</u>

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>	
	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Balance of Tax Deferred	\$ 4,317,014	\$ 4,385,854	\$ 1,913,968	\$ 1,833,982
	<u>-</u>	<u>-</u>	<u>411,978</u>	<u>411,978</u>
Tax Payable	<u>\$ 4,317,014</u>	<u>\$ 4,385,854</u>	<u>\$ 1,501,990</u>	<u>\$ 1,422,004</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:

	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Prepaid Taxes	\$ 69,025	\$ 138,276
Less: Discount Allowed	<u>-</u>	<u>-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 69,025</u>	<u>\$ 138,276</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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) Defined Contribution Retirement Program
- (3) The Police and Firemen's Retirement System

Public Employees Retirement System

Plan Description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)**

Allocation Methodology and Reconciliation to Financial Statements

The regulatory basis of accounting requires participating employers in PERS to disclose their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2015 and 2014, the State's pension contribution was less than the actuarial determined amount.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)
Contributions (Continued)**

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

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011, will gradually increase the employee contribution rate for PERS members. Effective October 1, 2011, the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018.

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

The components of the Municipality's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 4,943,855	\$ 4,277,226
Plan Fiduciary Net Position	<u>2,369,494</u>	<u>2,227,614</u>
Net Pension Liability	<u>\$ 2,574,361</u>	<u>\$ 2,049,612</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)**

Collective Net Pension Liability and Actuarial Information

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate 3.04%

Salary Increases (Based on Age):

2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%

Investment Rate of Return 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation, were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's (and PFRS's) target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the Municipality as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2015</u>
At Current Discount Rate (4.90%)	\$ 2,574,361
At a 1% Lower Rate (3.90%)	3,199,616
At a 1% Higher Rate (5.90%)	2,050,152
	<u>2014</u>
At Current Discount Rate (5.39%)	\$ 2,049,612
At a 1% Lower Rate (4.39%)	2,578,482
At a 1% Higher Rate (6.39%)	1,605,496

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 61,415	\$ -
Changes of assumptions	276,466	-
Net difference between projected and actual earnings on pension plan investments	-	41.391
Changes in proportion and differences between Municipal contributions and proportionate share of contributions	<u>185,257</u>	<u>-</u>
Total	<u>\$ 523,138</u>	<u>\$ 41.391</u>

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience and changes of assumptions	\$ 67,518	\$ 342,684	\$ 72,321	\$ 337,881
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	127,958	(68,222)	18,345	<u>41,391</u>
Net of Deferred Outflows/(Inflows)				<u>\$ 296,490</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Public Employees Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

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

<u>Year Ending June 30,</u>	
2016	\$ 53,976
2017	53,976
2018	53,976
2019	85,966
2020	<u>48,596</u>
Total	<u>\$ 296,490</u>

Pension Expense

For the year ended June 30, 2015, the Municipality recognized net pension expense of \$299,746, which represents the Municipality's proportionate share of allocable plan pension expense of \$168,878, less the net amortization of deferred amounts from changes in proportion of \$40,619, plus other adjustments of \$2, plus the annual contribution paid by the Municipality in the current year of \$90,247.

The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the Municipality for the year ending June 30, 2015 are as follows:

Service Cost	\$ 101,152
Interest on Total Pension Liability	241,063
Member Contributions	(55,953)
Administrative Expense	1,880
Expected Investment Return Net of Investment Expense	(172,240)
Pension Expense Related to Specific Liabilities of Individual Employers	(1,000)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	59,309
Amortization of Expected Versus Actual Experience	13,012
Amortization of Projected Versus Actual Investment	-
Earnings on Pension Plan Investments	<u>(18,345)</u>
Pension Expense	<u>\$ 168,878</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9: PENSIONS (Continued)

Police and Fireman's Retirement System

Plan Description

The State of New Jersey, Police and Fireman's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman's Retirement System (Continued)**

Allocation Methodology and Reconciliation to Financial Statements

The regulatory basis of accounting requires participating employers in PFRS to disclose their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2015 and 2014. Employer and non-employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and non-employer may result in immaterial differences.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2015, State special funding situation net pension liability amount of \$1,460,720,421, is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015, State special funding situation pension expense of \$182,203,735, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman's Retirement System (Continued)**

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal years 2015 and 2014, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The contribution policy for PFRS is 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 10.00% of employees' annual contractual compensation.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows; Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers relating to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman’s Retirement System (Continued)
Special Funding Situation (Continued)**

During the fiscal years ended June 30, 2015 and June 30, 2014, the State of New Jersey contributed \$9,943 and \$8,702 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contributions of \$23,825 and \$26,554, respectively.

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

The components of the Municipality’s allocable share of the net pension liability for PFRS as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 5,421,874	\$ 5,734,753
Plan Fiduciary Net Position	<u>3,052,873</u>	<u>3,578,990</u>
Net Pension Liability	<u>\$ 2,396,001</u>	<u>\$ 2,155,763</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%

The collective pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases (Based on Age):	
2012-2021	2.60%- 9.48%
Thereafter	3.60%-10.48%
Investment Rate of Return	7.90%

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman’s Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the PR-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation, were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the Municipality as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2015</u>
At Current Discount Rate (5.79%)	\$ 2,369,001
At a 1% Lower Rate (4.79%)	3,123,096
At a 1% Higher Rate (6.79%)	1,754,105
	<u>2014</u>
At Current Discount Rate (6.32%)	\$ 2,155,763
At a 1% Lower Rate (5.32%)	2,905,168
At a 1% Higher Rate (7.32%)	1,536,398

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman's Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 18,786
Changes of assumptions	402,113	-
Net difference between projected and actual earnings on pension plan investments	-	37,906
Changes in proportion and differences between municipal contributions and proportionate share of contributions	<u>66,361</u>	<u>262,785</u>
Total	<u>\$ 468,474</u>	<u>\$ 319,477</u>

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience and changes of assumptions	\$ 61,753	\$ 430,076	\$ 89,716	\$ 402,113
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	167,850	(87,044)	24,114	<u>56,692</u>
Net of Deferred Outflows/(Inflows)				<u>\$ 345,421</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: PENSIONS (Continued)
Police and Fireman’s Retirement System (Continued)
Collective Net Pension Liability and Actuarial Information (Continued)**

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

<u>Year Ending June 30,</u>	
2016	\$ 65,602
2017	65,602
2018	65,602
2019	107,564
2020	<u>41,051</u>
Total	<u>\$ 345,421</u>

Pension Expense

For the year ended June 30, 2015, the Municipality recognized net pension expense of \$276,726, which represents the Municipality’s proportionate share of allocable plan pension expense of \$187,935, less the net amortization of deferred amounts from changes in proportion of \$42,096, plus other adjustments to the net pension liability of \$15,054, plus amounts paid by the Municipality totaling \$118,833.

The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the Municipality for the year ending June 30, 2015 are as follows:

Service Cost	\$ 101,152
Interest on Total Pension Liability	241,063
Member Contributions	(55,953)
Administrative Expense	1,880
Expected Investment Return Net of Investment Expense	(172,240)
Pension Expense Related to Specific Liabilities of Individual Employers	(1,000)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	59,309
Amortization of Expected Versus Actual Experience	13,012
Amortization of Projected Versus Actual Investment	-
Earnings on Pension Plan Investments	<u>(18,345)</u>
Pension Expense	<u>\$ 168,878</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9: PENSIONS (Continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following:

Employees enrolled in the Public Employees Retirement System (PERS) or Police and Fire Pension System (PFRS) on or after July 1, 2007, who earn salary in excess of maximum compensation limits. Employees otherwise eligible to enroll in the PERS and PFRS who do not earn the minimum salary (\$8,200 for 2015), but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

Contribution Requirements

The contribution policy for the DCRP is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums.

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, PL 2008 and Chapter 103, PL 2008 (N.J.S.A. 43:15:c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15: C-1 et seq. Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is available from the State Retirement System.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 10: POST-RETIREMENT BENEFITS

Plan Description - The Municipality has the option of participating in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 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.

Participation - The Municipality has elected not to participate in the SHBP as a post-retirement benefit.

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

The Municipality 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 the changes in general fixed assets for the years ended December 31, 2014:

	Balance Dec. 31, 2013	Additions	Deletions	Balance Dec. 31, 2014
Land	\$ 2,439,700	\$ -	\$ -	\$ 2,439,700
Building & Building Improvements	6,692,000	66,455	-	6,758,455
Machinery & Equipment	3,551,368	699,834	52,000	4,199,202
Totals	<u>\$ 12,683,068</u>	<u>\$ 766,289</u>	<u>\$ 52,000</u>	<u>\$ 13,397,357</u>

The following schedule is a summarization of the changes in general fixed assets for the years ended December 31, 2015:

	Balance Dec. 31, 2014	Additions	Deletions	Balance Dec. 31, 2015
Land	\$ 2,439,700	\$ -	\$ -	\$ 2,439,700
Building & Building Improvements	6,758,455	44,385	-	6,802,840
Machinery & Equipment	4,199,202	317,343	120,400	4,396,145
Construction in Progress	-	74,480	-	74,480
Totals	<u>\$ 13,397,357</u>	<u>\$ 436,208</u>	<u>\$ 120,400</u>	<u>\$ 13,713,165</u>

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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, 2015:

Fund	Interfund Receivable	Interfund Payable
Current Fund:		
Due from Clearing Account	\$ 4,111	\$ -
Federal and State Grant Fund:		
Due to General Capital Fund	-	100,000
Clearing Account:		
Due to Current Fund	-	4,111
General Capital Fund:		
Due from Federal and State Grant Fund	100,000	-
	\$ 104,111	\$ 104,111

The amount due to the Current Fund by the Clearing Account represents transfers made from the Current Fund that exceeded related cash disbursements made in the Clearing Account.

The amount due to the General Capital Fund by the Federal and State Grant Fund represents a loan of \$100,000, due to cash flow issues relating to the delayed receipts of grant revenues.

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 disasters.

The Municipality is a member of the Statewide Insurance Fund (the "Fund"). The Fund is operated in accordance with regulations of the New Jersey Department of Banking and Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund was established for the purpose of providing low cost insurance coverage as well as providing stability in coverage. All members' contributions to the fund are based on actuarial assumptions for claims paid as determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

**TOWNSHIP OF HOLLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 15: RISK MANAGEMENT (Continued)

The following coverage's are offered by the Fund to its members:

- a) Workers' Compensation and Employers' Liability
- b) General Liability and Auto Liability
- c) Property Damage
- d) Boiler and Machinery
- e) Law Enforcement Liability
- f) Public Officials' Liability
- g) Employment Practice Liability
- h) Crime
- i) Umbrella Liability
- j) Environmental Impairment Liability
- k) Excess Liability
- l) Non-owned Aircraft Liability
- m) Cyber Liability

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 July 13, 2016, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY DATA

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2015
CURRENT FUND**

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CASH-TREASURER**

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2014	A	\$ 8,672,371	\$ 89,112
Increased by Receipts:			
Tax Collector	A-6	\$ 16,850,068	
Interest on Investments	A-2	14,201	
Miscellaneous Revenue not Anticipated	A-2	85,072	
Current Year Appropriation Refunds	A-3	14,392	
Change Funds	A-8	500	
Sale of Property Acquired for Taxes	A-11	1,557	
Revenue Accounts Receivable	A-12	3,191,248	
Due from Animal Control Fund	A-13	3	
Due from Regular Fund	A-15	-	\$ 3,964
Grant Funds Receivable	A-16	-	18,712
State of NJ-Veterans' & Senior Citizens' Deductions	A-19	77,000	-
Due from Clearing Account	A-20	19,840	-
Due to Payroll Account	A-21	26,143	-
Due to Other Trust Fund	A-22	515	-
Due to General Capital Fund	A-23	715	-
Due to Federal and State Grant Fund	A-24	31,543	-
Due from Sewer Operating Fund	A-25	2,186	-
Fees Payable to Outside Agencies	A-32	450	-
Unappropriated Reserve for State Grants	A-37	-	1,005
Due to General Capital Fund	A-39	-	100,000
		<u>20,315,433</u>	<u>123,681</u>
		28,987,804	212,793

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CASH-TREASURER**

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
Budget Appropriations	A-3	\$ 1,918,686	
Change Funds	A-8	500	
Due from Animal Control Fund	A-13	9,973	
Due to Regular Fund	A-15	-	\$ 28,543
Appropriation Reserves	A-17	125,332	-
Encumbrances Payable	A-18	8,064	-
Due from Clearing Account	A-20	9,485	-
Due to Payroll Account	A-21	1,890,920	-
Due to Other Trust Fund	A-22	156,371	-
Due to General Capital Fund	A-23	1,084,429	-
Due to Federal and State Grant Fund	A-24	32,300	-
Due from Sewer Operating Fund	A-25	8,987	-
Due to Outside Lien holders	A-26	272,888	-
Tax Overpayments	A-28	9,167	-
Regional High School Tax Payable	A-29	3,747,952	-
Local School Tax Payable	A-30	8,702,869	-
County Taxes Payable	A-31	2,453,306	-
Fees Payable to Outside Agencies	A-32	450	-
Reserve for Revaluation	A-35	2,503	-
Encumbrances Payable	A-38	-	127,427
		<u>\$ 20,434,182</u>	<u>\$ 155,970</u>
Balance December 31, 2015	A	<u>\$ 8,553,622</u>	<u>\$ 56,823</u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CASH AND RECONCILIATION-TREASURER
PER N.J.S. 40A:5.5**

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal & State Grant Fund</u>
Balance December 31, 2015	A-4	\$ 8,553,622	\$ 56,823
Increased by:			
Receipts		<u>572,575</u>	<u>32,264</u>
		9,126,197	89,087
Decreased by:			
Disbursements		<u>2,488,060</u>	<u>38,370</u>
Balance January 31, 2016		<u><u>\$ 6,638,137</u></u>	<u><u>\$ 50,717</u></u>
 <u>Cash Reconciliation January 31, 2016</u>			
Balance Per Statement:			
Hopewell Valley Bank		\$ 6,564,380	\$ 52,057
NJ Cash Management		<u>71,620</u>	
		6,636,000	<u>52,057</u>
Add: Deposit-in-Transit		<u>2,137</u>	
		6,638,137	<u>52,057</u>
Less: Outstanding Checks			<u>1,340</u>
Book Balance		<u><u>\$ 6,638,137</u></u>	<u><u>\$ 50,717</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CASH-COLLECTOR**

	<u>Ref.</u>	<u>Operating Fund</u>
Balance December 31, 2014	A	\$ 444,454
Increased by Receipts:		
Taxes Receivable	A-9	\$ 16,006,273
Nonbudget Revenues	A-2	1,143
Interest and Cost on Taxes	A-2	56,386
Interest on Deposits	A-2	835
Tax Sale Premiums	A-22	94,200
Due to Sewer Operating Fund	A-25	2,228
Due to Outside Lienholders	A-26	276,479
Prepaid Taxes	A-27	77,915
Tax Overpayments	A-28	13,424
		<u>16,528,883</u>
		16,973,337
Decreased by Disbursements:		
Disbursements Adjustments	A-2	2,536
Paid to Treasurer	A-4	16,850,068
		<u>16,852,604</u>
Balance December 31, 2015	A; A-7	<u>\$ 120,733</u>

A-7

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CASH AND RECONCILIATION-COLLECTOR
PER N.J.S. 40A:5-5**

	<u>Ref.</u>	
Balance December 31, 2015	A-6	\$ 120,733
Increased by:		
Receipts		<u>447,982</u>
		568,715
Decreased by:		
Disbursements		<u>530,000</u>
Balance January 31, 2016		<u>\$ 38,715</u>
<u>Cash Reconciliation January 31, 2016</u>		
Balance Per Statement:		
Hopewell Valley Bank		\$ 39,062
Less: Outstanding Checks		<u>(347)</u>
Book Balance	SEE INDEPENDENT AUDITORS' REPORT	<u>\$ 38,715</u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF CHANGE FUNDS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 800
Increased by:		
Additional Change Funds Issued	A-4	<u>500</u>
		1,300
Decreased by:		
Change Funds Returned	A-4	<u>500</u>
Balance December 31, 2015	A	<u><u>\$ 800</u></u>

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

Year	Balance	Levy	Added	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance
	12/31/14	2015	2015	2014	2015					12/31/15
2013	\$ -	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
2014	246,952	-	1,250	-	244,753	-	-	-	1,938	1,511
2015	-	\$ 16,132,875	-	\$ 69,025	15,761,270	-	\$ 75,500	\$ 2,948	9,511	214,621
	<u>\$ 246,952</u>	<u>\$ 16,132,875</u>	<u>\$ 1,500</u>	<u>\$ 69,025</u>	<u>\$ 16,006,273</u>	<u>\$ -</u>	<u>\$ 75,500</u>	<u>\$ 2,948</u>	<u>\$ 11,449</u>	<u>\$ 216,132</u>
<u>Ref.</u>	A	Reserve	Reserve	A-27	A-6		A-19	A-28	Reserve	A

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

	<u>Ref.</u>		
<u>Analysis of Current Year Property Tax</u>			
Tax Yield:			
General Purpose Tax			\$ 16,087,417
Added and Omitted Taxes			<u>45,458</u>
	A-9		<u><u>\$ 16,132,875</u></u>
Tax Levy:			
Local District School Tax	A-2;A-30		\$ 8,771,709
Regional District School Tax	A-2;A-29		3,667,966
County Tax		\$ 2,048,124	
County Library Tax		205,042	
County Open Space Tax		199,420	
County Share of Added and Omitted Taxes		<u>7,319</u>	
Total County Taxes	A-2;A-31		2,459,905
Municipal Purpose Tax	A-2	1,193,612	
Additional Tax Levied		<u>39,683</u>	
Total Municipal Purpose Tax			<u>1,233,295</u>
	A-9		<u><u>\$ 16,132,875</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>\$ 91,392</u>
Balance December 31, 2015	A	<u><u>\$ 91,392</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES-ASSESSED VALUATION**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 359,300
Decreased by:		
Sale of Property Acquired for Taxes	A-2: A-4	\$ 1,557
Loss on Sale of Property	Reserve	<u>163,443</u>
		<u>165,000</u>
Balance December 31, 2015	A	<u><u>\$ 194,300</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance 12/31/14	Accrued in 2015	Collected	Balance 12/31/15
Alcoholic Beverage Licenses	A-2	\$ -	\$ 2,876	\$ 2,876	\$ -
Municipal Court	A-2	611	7,896	8,208	299
Swimming Pool Fees	A-2	-	93,387	93,387	-
Riegle Ridge Community Center Fees	A-2	-	352,022	352,022	-
Snack Bar Fees	A-2	-	20,277	20,277	-
Other Recreational Activities	A-2	-	3,543	3,543	-
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>\$ 611</u>	<u>\$ 3,190,936</u>	<u>\$ 3,191,248</u>	<u>\$ 299</u>
	<u>Ref.</u>	A	Reserve	A-4	A

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE FROM ANIMAL CONTROL FUND**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 9
Increased by:			
Interest on Investments	A-2	\$ 21	
Disbursements	A-4	<u>9,973</u>	
			<u>9,994</u>
			10,003
Decreased by:			
Current Fund Budget Appropriation	A-3	10,000	
Receipts	A-4	<u>3</u>	
			<u>10,003</u>
Balance December 31, 2015	A		<u><u>\$ -</u></u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
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 12/31/14</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance 12/31/15</u>
4/2/2013	Revaluation of Real Property	\$ 139,000	\$ 27,800	<u>\$ 111,200</u>	\$ -	\$ 90,455	<u>\$ 20,745</u>
				<u>\$ 111,200</u>	<u>\$ -</u>	<u>\$ 90,455</u>	<u>\$ 20,745</u>
				<u>Ref.</u>	A	Below	A
	Appropriated in the Current Fund Budget			A-3		\$ 27,800	
	Cancelation of Reserve Balance			A-35		62,655	
						<u>\$ 90,455</u>	

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

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 923
Increased by:			
Disbursements	A-4	\$ 28,543	
Grants Received in Current Fund	A-16	<u>3,000</u>	
			<u>31,543</u>
			32,466
Decreased by:			
Interest on Investments	A-2; A-4	166	
Receipts	A-4	3,798	
Grant Expenditures in General Fund	A-38	<u>28,502</u>	
			<u>32,466</u>
Balance December 31, 2015	A		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANT FUNDS RECEIVABLE**

	Balance 12/31/14	Accrued in 2015	Collected	Balance Canceled	Balance 12/31/15
Highlands Grant	\$ 184,083	\$ -	\$ -	\$ -	\$ 184,083
FEMA HMGP	112,000	-	-	-	112,000
NJ Forestry Grant	3,000	-	-	-	3,000
New Jersey Environmental Commissions (ANJEC)	-	1,480	990	-	490
Clean Communities Program-2015	-	17,722	17,722	-	-
NJ Highlands Water Protection and Planning Council	-	25,000	-	-	25,000
New Jersey Historical Commission	-	3,000	3,000	-	-
Body Armor Grant	-	922	922	-	-
Recycling Tonnage Grant	-	33,698	33,698	-	-
Health Wellness Grant	-	1,000	1,000	-	-
	<u>\$ 299,083</u>	<u>\$ 82,822</u>	<u>\$ 57,332</u>	<u>\$ -</u>	<u>\$ 324,573</u>
	Ref.	A	A-2	Below	A
Cash Receipts	A-4			\$ 18,712	
Due from Regular Fund	A-15			3,000	
Unappropriated Reserves Applied	A-37			<u>35,620</u>	
				<u>\$ 57,332</u>	

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance 12/31/14	Balance After Transfer	Expended	Balance Lapsed
Mayor and Council:				
Other Expenses	\$ 2,613	\$ 2,766	\$ 2,455	\$ 311
Municipal Clerk:				
Salaries and Wages	6,898	6,898	-	6,898
Other Expenses	6,968	7,175	644	6,531
Financial Administration:				
Salaries and Wages	11,552	11,552	-	11,552
Other Expenses	2,945	2,945	2,604	341
Assessment of Taxes:				
Salaries and Wages	786	786	-	786
Other Expenses	3,264	3,400	177	3,223
Revenue Administration:				
Salaries and Wages	1,030	1,030	-	1,030
Other Expenses	2,846	2,846	325	2,521
Legal Services and Costs:				
Other Expenses	40,821	56,587	26,480	30,107
Engineering Services & Costs:				
Other Expenses	9,568	9,568	6,582	2,986
Municipal Court:				
Salaries and Wages	49	49	-	49
Municipal Prosecutor:				
Salaries and Wages	82	82	-	82
Public Building and Grounds:				
Salaries and Wages	419	824	405	419
Other Expenses	2,149	3,229	2,258	971
Planning Board:				
Salaries and Wages	3,249	3,249	-	3,249
Other Expenses	11,070	11,070	8	11,062

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance 12/31/14</u>	<u>Balance After Transfer</u>	<u>Expended</u>	<u>Balance Lapsed</u>
Zoning Board of Adjustment:				
Salaries and Wages	\$ 5,034	\$ 5,034	\$ -	\$ 5,034
Other Expenses	1,054	1,649	1,582	67
Fire:				
Other Expenses	13,120	13,134	12,293	841
Police:				
Salaries and Wages	73,046	73,046	-	73,046
Other Expenses	12,981	13,887	3,032	10,855
First Aid Organization Contribution	5,573	5,573	-	5,573
Office of Emergency Management:				
Salaries and Wages	337	337	-	337
Other Expenses	2,924	3,548	883	2,665
Public Defender:				
Salaries and Wages	27	27	-	27
Road Repair and Maintenance:				
Salaries and Wages	42,442	40,441	-	40,441
Other Expenses	4,067	15,309	13,770	1,539
Snow Removal:				
Other Expenses	10,172	15,698	15,698	-
Environmental Commission:				
Salaries and Wages	11,322	11,322	135	11,187
Other Expenses	10,905	11,019	188	10,831
Board of Health:				
Salaries and Wages	473	473	-	473
Other Expenses	1,100	1,100	-	1,100
Environmental Health Services:				
Other Expenses	200	200	-	200

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance 12/31/14</u>	<u>Balance After Transfer</u>	<u>Expended</u>	<u>Balance Lapsed</u>
Parks and Recreation:				
Recreation Committee:				
Salaries and Wages	\$ 463	\$ 463	\$ -	\$ 463
Other Expenses	1,627	1,627	-	1,627
Riegel Ridge Community Center:				
Salaries and Wages	5,591	591	-	591
Other Expenses	2,654	14,618	11,980	2,638
Swimming Pool				
Salaries and Wages	1,605	1,605	-	1,605
Other Expenses	19,654	19,654	-	19,654
Snack Bar:				
Salaries and Wages	4,245	4,245	-	4,245
Other Expenses	10,962	10,962	685	10,277
Historical Preservation Commission:				
Salaries and Wages	234	234	-	234
Other Expenses	3,968	3,968	3,740	228
Agriculture Advisory Committee:				
Salaries and Wages	1,100	1,100	-	1,100
Other Expenses	9,490	9,490	348	9,142
Unclassified:				
Utilities:				
Fuel Oil	7,356	8,877	2,488	6,389
Gasoline	23,206	24,366	1,735	22,631
Electricity	3,942	6,850	3,478	3,372
Street Lighting	21,563	24,327	5,547	18,780
Telephone	2,904	3,043	1,185	1,858
Dumpster	10,904	12,435	2,422	10,013
Natural Gas	431	2,388	2,157	231

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance 12/31/14</u>	<u>Balance After Transfer</u>	<u>Expended</u>	<u>Balance Lapsed</u>
Contribution to:				
Social Security System (OASI)	\$ 20,229	\$ 20,229	\$ -	\$ 20,229
DCRP Contribution	4,375	4,375	48	4,327
Unemployment Compensation	589	589	-	589
Insurance (PL 1985 Ch 522):				
Group Insurance for Employees	27,983	27,983	-	27,983
Worker's Compensation	6,044	6,044	-	6,044
Other Insurance Premiums	8,600	8,600	-	8,600
	<u>\$ 500,805</u>	<u>\$ 554,516</u>	<u>\$ 125,332</u>	<u>\$ 429,184</u>

<u>Ref.</u>	A	Below	A-4	A-1
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	<u>Ref.</u>	
Analysis of Balance After Transfer:		
Appropriation Reserves	A	\$ 500,805
Encumbrances Payable	A-18	<u>53,711</u>
		<u>\$ 554,516</u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 64,298
Increased by:			
Current Year Budget Appropriations	A-3	\$ 40,114	
Due to Outside Lienholders	A-26	1,096	
Fees Payable to Outside Agencies	A-32	<u>150</u>	
			<u>41,360</u>
			105,658
Decreased by:			
Balances Canceled	A-1	2,523	
Disbursements	A-4	8,064	
Applied to Appropriation Reserves	A-17	<u>53,711</u>	
			<u>64,298</u>
Balance December 31, 2015	A		<u><u>\$ 41,360</u></u>

A-19

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

	<u>Ref.</u>		
Balance December 31, 2014 (Due from)	A		\$ 1,257
Increased by:			
Veterans' Deductions per Tax Billings		\$ 60,750	
Senior Citizens' Deductions per Tax Billings		12,750	
Senior Citizens' Deductions Allowed by Tax Collector		2,000	
Veterans' Deductions Allowed by Tax Collector		<u>1,000</u>	
		76,500	
Less:			
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector		<u>1,000</u>	
	A-9		<u>75,500</u>
			76,757
Decreased by:			
Prior Year Senior Citizens' Deductions Denied	A-1	1,500	
Receipts	A-4	<u>77,000</u>	
			<u>78,500</u>
Balance December 31, 2015 (Due to)	A		<u><u>\$ 1,743</u></u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE TO/FROM CLEARING ACCOUNT**

	<u>Ref.</u>	
Balance December 31, 2014 (Due to)	A	\$ 2,122
Increased by:		
Receipts	A-4	19,840
		<u>21,962</u>
Decreased by:		
Non-budgeted Revenue	A-2	14,918
Interest on Investments	A-2	1,670
Disbursements	A-4	<u>9,485</u>
		<u>26,073</u>
Balance December 31, 2015 (Due from)	A	<u>\$ 4,111</u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE TO PAYROLL ACCOUNT**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 15,655
Increased by:		
Receipts	A-4	\$ 26,143
Current Year Budget Appropriations	A-3	<u>1,849,122</u>
		<u>1,875,265</u>
		1,890,920
Decreased by:		
Disbursements	A-4	<u>1,890,920</u>
Balance December 31, 2015	A	<u>\$ -</u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE TO OTHER TRUST FUNDS**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 61,760
Increased by:			
Tax Sale Premiums Received	A-6	\$ 94,200	
Receipts	A-4	<u>515</u>	
			<u>94,715</u>
			156,475
Decreased by:			
Interest Earned	A-2	104	
Disbursements	A-4	<u>156,371</u>	
			<u>156,475</u>
Balance December 31, 2015	A		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 588,012
Increased by:			
Receipts	A-4	\$ 715	
Current Year Budget Appropriations	A-3	<u>500,000</u>	
			<u>500,715</u>
			1,088,727
Decreased by:			
Interest on Investments	A-2	4,298	
Disbursements	A-4	<u>1,084,429</u>	
			<u>1,088,727</u>
Balance December 31, 2015	A		<u><u>\$ -</u></u>

SEE INDEPENDENT AUDITORS' REPORT

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

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 923
Increased by:		
Receipts	A-4	<u>31,543</u>
		32,466
Decreased by:		
Disbursements	A-4	\$ 32,300
Interest on Investments	A-2	<u>166</u>
		<u>32,466</u>
Balance December 31, 2015	A	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE FROM SEWER OPERATING FUND**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ -
Increased by:		
Disbursements	A-4	<u>8,987</u>
		8,987
Decreased by:		
Prior Year Refund-Surplus Reduction	A-1	\$ 4,573
Receipts:		
Treasurer	A-4	2,186
Collector	A-6	<u>2,228</u>
		<u>8,987</u>
Balance December 31, 2015	A	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF DUE TO OUTSIDE LIENHOLDERS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ -
Increased by:		
Receipts	A-6	<u>276,479</u>
		276,479
Decreased by:		
Disbursements	A-4	\$ 272,888
Encumbrances Payable	A-18	<u>1,096</u>
		<u>273,984</u>
Balance December 31, 2015	A	<u><u>\$ 2,495</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF PREPAID TAXES**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 69,025
Increased by:			
Receipts	A-6	\$ 77,915	
Applied from Tax Overpayments	A-28	<u>60,361</u>	
			<u>138,276</u>
			207,301
Decreased by:			
Applied to Taxes Receivable	A-9		<u>69,025</u>
Balance December 31, 2015	A		<u><u>\$ 138,276</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 9,707
Increased by:			
Tax Appeal Settlement:			
Prior Year Refund-Surplus Reduction	A-1	\$ 41,155	
Reserve for Tax Appeals Applied	A-33	12,800	
Receipts	A-6	<u>13,424</u>	
			<u>67,379</u>
			77,086
Decreased by:			
Balances Canceled	A-1	52	
Disbursements	A-4	9,167	
Applied to Taxes Receivable	A-9	2,948	
Applied to Prepaid Taxes	A-27	<u>60,361</u>	
			<u>72,528</u>
Balance December 31, 2015	A		<u><u>\$ 4,558</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2014:			
School Tax Payable	A	\$ 1,501,990	
School Tax Deferred (10.76%)		<u>411,978</u>	\$ 1,913,968
Increased by:			
Levy-School Year July 1, 2015 to June 30, 2016	A-9		<u>3,667,966</u>
			5,581,934
Decreased by:			
Disbursements	A-4		<u>3,747,952</u>
Balance December 31, 2015:			
School Tax Payable	A	1,422,004	
School Tax Deferred (11.23%)		<u>411,978</u>	
			<u>\$ 1,833,982</u>
 <u>Current Year Liability for Regional High School Tax</u>			
Tax Paid			\$ 3,747,952
Add: Tax Payable December 31, 2015			<u>1,422,004</u>
			5,169,956
Less: Tax Payable December 31, 2014			<u>1,501,990</u>
Amount Charged to Operations	A-1		<u>\$ 3,667,966</u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014:	A	\$ 4,317,014
Increased by:		
Levy-School Year July 1, 2015 to June 30, 2016	A-9	<u>8,771,709</u> 13,088,723
Decreased by:		
Disbursements	A-4	<u>8,702,869</u>
Balance December 31, 2015:	A	<u><u>\$ 4,385,854</u></u>
<u>Current Year Liability for Local School Tax</u>		
Tax Paid		\$ 8,702,869
Add: Tax Payable December 31, 2015		<u>4,385,854</u> 13,088,723
Less: Tax Payable December 31, 2014		<u>4,317,014</u>
Amount Charged to Operations	A-1	<u><u>\$ 8,771,709</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 720
Increased by:		
Current Year Levy:		
County Taxes		\$ 2,048,124
County Library Tax		205,042
County Open Space Tax		199,420
County Share of Added & Omitted Taxes		<u>7,319</u>
	A-1;A-9	<u>2,459,905</u>
		<u>2,460,625</u>
Decreased by:		
Disbursements	A-4	<u>2,453,306</u>
Balance December 31, 2015	A	<u><u>\$ 7,319</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF FEES PAYABLE TO OUTSIDE AGENCIES**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 150
Increased by:		
Receipts	A-4	<u>450</u>
		600
Decreased by:		
Disbursements	A-4	\$ 450
Encumbrances Payable	A-18	<u>150</u>
		<u>600</u>
Balance December 31, 2015	A	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 12,800
Increased by:		
State Tax Appeals Pending	A-1; A-2	<u>19,583</u>
		32,383
Decreased by:		
Reserve for Tax Appeals Applied to Overpayments	A-28	<u>12,800</u>
Balance December 31, 2015	A	<u><u>\$ 19,583</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF RESERVE FOR VETERANS DAY CELEBRATION**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ <u>200</u>
Balance December 31, 2015	A	\$ <u><u>200</u></u>

**TOWNSHIP OF HOLLAND
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 65,158
Decreased by:		
Disbursements	A-4	\$ 2,503
Cancellation of Balance to Deferred Charge	A-14	<u>62,655</u>
		<u>65,158</u>
Balance December 31, 2015	A	\$ <u><u>-</u></u>

**TOWNSHIP OF HOLLAND
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS**

Grant Period	Grant	Balance 12/31/14	Transferred from 2015 Budget	Paid or Charged	Balance 12/31/15
01/01/14 to 12/31/14	Clean Communities Program-2014	\$ 6,746	\$ -	\$ 6,746	\$ -
01/01/15 to 12/31/15	Clean Communities Program-2015	-	17,722	4,414	13,308
01/01/05 to 12/31/05	NJ DEP Storm Water Management Grant	3,399	-	-	3,399
01/01/06 to 12/31/06	NJ DEP Storm Water Management Grant	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	1,355	-	1,355	-
01/01/11 to 12/31/11	Highlands Grant Second	174,100	-	6,615	167,485
01/01/15 to 12/31/15	Highlands Grant Special	-	25,000	7,956	17,044
01/01/13 to 12/31/13	GEON Energy Grant	91	-	91	-
01/01/14 to 12/31/14	Recycling Tonnage Grant	12,475	-	12,475	-
01/01/15 to 12/31/15	Recycling Tonnage Grant	-	33,698	23,127	10,571

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS (Continued)**

Grant Period	Grant	Balance 12/31/14	Transferred from 2015 Budget	Paid or Charged	Balance 12/31/15
01/01/13 to 12/31/13	Body Armor Grant	\$ 199	\$ -	\$ 199	\$ -
01/01/14 to 12/31/14	Body Armor Grant	1,318	-	618	700
01/01/15 to 12/31/15	Body Armor Grant	-	922	-	922
01/01/13 to 12/31/13	FEMA Shelter Grant	14,128	-	233	13,895
01/01/14 to 12/31/14	FEMA Shelter Grant	750	-	-	750
01/01/13 to 12/31/13	FEMA HMGP Grant	111,455	-	104,637	6,818
01/01/13 to 12/31/13	NJ Forestry Grant	3,000	-	-	3,000
01/01/15 to 12/31/15	NJ Historical Grant	-	3,000	-	3,000
01/01/15 to 12/31/15	Health Wellness Grant	-	1,000	1,000	-
01/01/15 to 12/31/15	NJ Environmental Commissions ANJAC Grant	-	1,480	1,480	-
		<u>\$ 335,641</u>	<u>\$ 82,822</u>	<u>\$ 170,946</u>	<u>\$ 247,517</u>

Ref. A A-3 A-38 A

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 35,620
Increased by:		
Receipts	A-4	<u>1,005</u>
		36,625
Decreased by:		
Applied to Grant Funds Receivable	A-16	<u>35,620</u>
Balance December 31, 2015	A	<u><u>\$ 1,005</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 17,857
Increased by:		
Current Year Grant Charges	A-36	<u>170,946</u>
		188,803
Decreased by:		
Disbursements	A-4	\$ 127,427
Disbursements in Regular Fund	A-15	<u>28,502</u>
		<u>155,929</u>
Balance December 31, 2015	A	<u><u>\$ 32,874</u></u>

**TOWNSHIP OF HOLLAND
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ -
Increased by:		
Receipts	A-4	<u>100,000</u>
Balance December 31, 2015	A	<u>\$ 100,000</u>

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2015
TRUST FUND**

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF CASH-TREASURER**

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2014	B	\$ 13,471	\$ 580,442
Increased by Receipts:			
Due to State of New Jersey	B-4	\$ 1,465	\$ -
Animal Control Fees	B-5	6,565	-
Due to Current Fund	B-6	25,904	-
Reserve for Escrow Funds	B-9	-	57,551
Small Cities Revolving Loan	B-10	-	151
Recreational and Community Services Development Fees	B-11	-	3
Reserve for Tax Sale Premiums	B-12	-	836
Reserve for Snow Removal	B-13	-	94,200
Interfunds Receivable	B-14	-	10,159
Reserve for Clearing Account	B-16	-	118,202
Reserve for Payroll Account	B-17	-	18,073,656
Reserve for Future Legal Expenses	B-18	-	2,108,979
Reserve for Performance Bond	B-19	-	29
Reserve for POAA	B-20	-	246
	B-21	-	4
		33,934	20,464,016
		47,405	21,044,458
Decreased by Disbursements:			
Due to Payroll Fund	B-3	3,984	-
Animal Control Fund	B-5	12,861	-
Due to State of New Jersey	B-4	1,460	-
Due to Current Fund	B-6	15,913	-
Reserve for Encumbrances	B-7	1,590	-
Reserve for Escrow Funds	B-9	-	56,427
Reserve for Tax Sale Premiums	B-13	-	64,500
Reserve for Snow Removal	B-14	-	20,666
Interfunds Receivable	B-16	-	47,603
Reserve for Clearing Account	B-17	-	18,076,268
Reserve for Payroll Account	B-18	-	2,095,463
		35,808	20,360,927
Balance December 31, 2015	B	\$ 11,597	\$ 683,531

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF CASH AND RECONCILIATION-TREASURER
PER N.J.S. 40A:5-5**

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2015	B-1	\$ 11,597	\$ 683,531
Increased by:			
Receipts		1,788	2,540,857
		13,385	3,224,388
Decreased by:			
Disbursements		-	2,356,170
		-	2,356,170
Balance January 31, 2016		\$ 13,385	\$ 868,218
 <u>Cash Reconciliation January 31, 2016</u>			
Balance per Statement:			
Hopewell Valley Bank		\$ 13,385	\$ 896,777
Add: Deposit-in-Transit		-	1,340
		13,385	898,117
Less: Outstanding Checks		-	29,899
		-	29,899
Book Balance		\$ 13,385	\$ 868,218

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF DUE TO PAYROLL
ANIMAL CONTROL FUND**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 840
Increased by:		
Payroll Charges	B-5	3,144
		<u>3,984</u>
Decreased by:		
Disbursements	B-1	3,984
		<u>3,984</u>
Balance December 31, 2015	B	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 11
Increased by:		
State Fees Collected	B-1	1,465
		<u>1,476</u>
Decreased by:		
Disbursements	B-1	1,460
		<u>1,460</u>
Balance December 31, 2015	B	<u><u>\$ 16</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 11,021
Increased by Receipts:			
Animal Control Fees	B-1	\$ 6,565	
Municipal Contribution	B-6	<u>10,000</u>	
			<u>16,565</u>
			27,586
Decreased by:			
Expenditures Under RS 4:119-15.	B-1	12,861	
Payroll Charges	B-3	<u>3,144</u>	
			<u>16,005</u>
Balance December 31, 2015	B		<u><u>\$ 11,581</u></u>
<u>Animal Control Collections</u>			
2013			\$ 7,372
2014			<u>5,997</u>
Maximum Allowable Reserve			<u><u>\$ 13,369</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 9
Increased by:		
Receipts	B-1	<u>25,904</u>
		25,913
Decrease by:		
Disbursements	B-1	\$ 15,913
Municipal Contribution	B-5	<u>10,000</u>
		<u>25,913</u>
Balance December 31, 2015	B	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
ANIMAL CONTROL FUND**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 1,590
Decreased by:		
Disbursements	B-1	<u>1,590</u>
Balance December 31, 2015	B	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF LOANS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	B	<u>\$ 400,280</u>
Balance December 31, 2015	B	<u><u>\$ 400,280</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW FUNDS**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 248,294
Increased by:		
Receipts	B-1	<u>57,551</u>
		305,845
Decreased by:		
Disbursements	B-1	<u>56,427</u>
Balance December 31, 2015	B	<u><u>\$ 249,418</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR SMALL CITIES REVOLVING LOAN**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 475,858
Increased By:		
Receipts	B-1	<u>151</u>
Balance December 31, 2015	B	<u>\$ 476,009</u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR RECREATIONAL AND COMMUNITY SERVICES**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 1,497
Increased by:		
Receipts	B-1	<u>3</u>
Balance December 31, 2015	B	<u>\$ 1,500</u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPMENT FEES**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 4,669
Increased by:		
Receipts	B-1	<u>836</u>
Balance December 31, 2015	B	<u><u>\$ 5,505</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 74,200
Increased by:		
Receipts	B-1	<u>94,200</u>
		168,400
Decreased by:		
Disbursements	B-1	<u>64,500</u>
Balance December 31, 2015	B	<u><u>\$ 103,900</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR SNOW REMOVAL**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 52,571
Increased by:		
Receipts	B-1	<u>10,159</u>
		62,730
Decreased by:		
Disbursements	B-1	<u>20,666</u>
Balance December 31, 2015	B	<u><u>\$ 42,064</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR FIRST AID SQUAD**

	<u>Ref.</u>	
Balance December 31, 2014	B	<u>\$ 25,600</u>
Balance December 31, 2015	B	<u><u>\$ 25,600</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF INTERFUNDS-OTHER TRUST FUNDS**

	<u>Ref.</u>			
Balance December 31, 2014 (Due from)	B		\$	66,488
Increased by:				
Clearing Account Disbursements	B-1	\$		47,588
Disbursements	B-1			15
				47,603
				114,091
Decreased by:				
Receipts	B-1			118,202
Balance December 31, 2015 (Due to)	B		\$	4,111

	<u>December 31, 2014 (Due From)</u>		<u>December 31, 2015 (Due to)</u>
<u>Analysis of Balance</u>			
Due from:			
Current Fund-Tax Sale Premiums	\$ 61,660	\$	-
Current Fund-Recreational and Community Services	100		-
Clearing Account-Escrow Funds	4,728		-
Clearing Account-Current Fund	-		4,111
	\$ 66,488	\$	4,111

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR CLEARING ACCOUNT**

	Ref.	
Balance December 31, 2014	B	\$ 2,612
Increased by:		
Receipts	B-1	18,073,656
		18,076,268
Decreased by:		
Disbursements	B-1	18,076,268
Balance December 31, 2015	B	\$ -

	December 31, 2014	December 31, 2015
<u>Analysis of Balance</u>		
Due from:		
Current Fund	\$ (2,122)	\$ -
Due to:		
General Capital	6	-
Escrow Funds	4,728	-
	\$ 2,612	\$ -

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL ACCOUNT**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 32,078
Increased by:		
Receipts	B-1	2,108,979
		2,141,057
Decreased by:		
Disbursements	B-1	2,095,463
Balance December 31, 2015	B	\$ 45,594

	<u>December 31, 2014</u>	<u>December 31, 2015</u>
<u>Analysis of Balance</u>		
Due from:		
Current Fund	\$ (15,655)	\$ -
Animal Control Fund	(840)	-
Due to:		
Sewer Operating	9,554	-
Payroll Withholdings	39,019	45,594
	\$ 32,078	\$ 45,594

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR FUTURE LEGAL EXPENSES**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 15,010
Increased by:		
Receipts	B-1	<u>29</u>
Balance December 31, 2015	B	<u><u>\$ 15,039</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR PERFORMANCE BOND**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 114,817
Increased by:		
Receipts	B-1	<u>246</u>
Balance December 31, 2015	B	<u><u>\$ 115,063</u></u>

**TOWNSHIP OF HOLLAND
TRUST FUND
SCHEDULE OF RESERVE FOR POAA**

Balance December 31, 2014	B	\$	4
Increased by:			
Receipts	B-1		<u>4</u>
Balance December 31, 2015	B	<u>\$</u>	<u>8</u>

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2015
GENERAL CAPITAL FUND**

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF CASH-TREASURER**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 2,564,564
Increased by Receipts:		
Due from Current Fund	C-5	<u>1,088,727</u>
		3,653,291
Decreased by Disbursements:		
Due from Current Fund	C-5	\$ 715
Due from Clearing Account Improvement Authorizations	C-6	875,430
	C-7	117,637
Due from Federal and State Grant Fund	C-12	<u>100,000</u>
		<u>1,093,782</u>
Balance December 31, 2015	C; C-3	<u><u>\$ 2,559,509</u></u>

C-3

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF CASH AND RECONCILIATION-TREASURER
PER N.J.S. 40A:5-5**

	<u>Ref.</u>	
Balance December 31, 2015	C-2	\$ 2,559,509
Increased by:		
Receipts		<u>434</u>
		2,559,943
Decreased by:		
Disbursements		<u>1,355</u>
Balance January 31, 2016		<u><u>\$ 2,558,588</u></u>
<u>Cash Reconciliation January 31, 2016</u>		
Balance Per Statement:		
Hopewell Valley Bank		<u><u>\$ 2,558,588</u></u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF CASH ACTIVITY**

Description	Balance Dec. 31, 2014	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2015
Fund Balance	\$ 160,010	\$ -	\$ -	\$ -	\$ 160,010
Capital Improvement Fund	1,079,392	-	-	(45,000)	1,034,392
Due to/from Current Fund	(588,012)	1,088,727	715	(500,000)	-
Due from Clearing Account	(6)	-	875,430	875,436	-
NJ D.O.T. Grants Receivable	-	-	-	(155,000)	(155,000)
Due from Federal and State Grant Fund	-	-	100,000	-	(100,000)
Encumbrances Payable	553,150	-	-	(348,707)	204,443
Reserve for Capital Projects	629,569	-	-	90,000	719,569
<u>Improvement Authorizations</u>					
Acquisition of Property	13,907	-	-	-	13,907
Various Improvements to the Grove at the Riegel Ridge Community Center	14,036	-	-	(500)	13,536
Various Upgrades & Improvements to Riegel Ridge Community Center	27,141	-	-	(27,082)	59
Removal of Underground Fuel Tanks and Installation of an Above Ground Replacement Tank	2,051	-	-	-	2,051
Purchase of Various Computers	28	-	-	-	28
Purchase of a Police Vehicle	4	-	-	500	504
Refurbishing of a Public Works Truck	19,623	-	-	-	19,623
Improvements to Riegel Ridge Community Center	4,996	-	-	-	4,996
Various Outdoor Improvements to the Riegel Ridge Community Center	10,347	-	-	(1,179)	9,168
Improvements to Various Roads	3,941	-	-	(3,941)	-
Improvements to the Municipal Complex	18,602	-	-	(334)	18,268

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF CASH ACTIVITY (Continued)**

Description	Balance Dec. 31, 2014	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2015
Purchase of Various Public Works Equipment	\$ 18,432	\$ -	\$ -	\$ -	\$ 18,432
Purchase of Police Equipment	6,146	-	-	-	6,146
Preservation of Farm Land	488,677	-	117,637	(5,817)	365,223
Purchase of Real Property	49,040	-	-	(851)	48,189
Acquisition of Appurtenances Required for a Brush Truck	2,195	-	-	-	2,195
Various Improvements at the Riegel Ridge Community Center and Pool	23,500	-	-	(7,500)	16,000
Construction/Repairs to Various Roads	19	-	-	(19)	-
Construction/Repairs to Various Roads	1,129	-	-	(990)	139
Purchase of Public Works Equipment	26,647	-	-	(3,750)	22,897
Improvements to Bellis Road Phase I	-	-	-	28,206	28,206
Improvements to Various Roads	-	-	-	31,528	31,528
Acquisition of Various Public Works Equipment	-	-	-	75,000	75,000
	<u>\$ 2,564,564</u>	<u>\$ 1,088,727</u>	<u>\$ 1,093,782</u>	<u>\$ -</u>	<u>\$ 2,559,509</u>
<u>Ref.</u>	C	C-2	C-2		C

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM CURRENT FUND**

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 588,012
Increased by:			
Disbursements	C-2	\$ 715	
Current Year Budget Appropriations:			
Reserve for Capital Projects	C-10	200,000	
Capital Improvement Fund	C-9	<u>300,000</u>	
			<u>500,715</u>
			<u>1,088,727</u>
Decreased by:			
Receipts	C-2		<u>1,088,727</u>
Balance December 31, 2015	C		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM CLEARING ACCOUNT**

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 6
Increased by:			
Disbursements	C-2		<u>875,430</u>
			875,436
Decreased by:			
Improvement Authorization Charges	C-7	\$ 328,287	
Encumbrances Payable	C-8	<u>547,149</u>	
			<u>875,436</u>
Balance December 31, 2015	C		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance		Balance Dec 31, 2014		2015 Authorization	Paid or Charged	Unexpended Balance Canceled	Balance Dec 31, 2015	
	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 Community Center	10/20/09	125,000	14,036	-	-	500	-	13,536	-
Various Upgrades & Improvements to the Riegel Ridge Community Center	05/04/10	425,000	27,141	-	-	27,082	-	59	-
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	-
Purchase of a Police Vehicle	08/21/12	40,000	4	-	-	(500)	-	504	-
Refurbishing of a Public Works Truck	08/21/12	100,000	19,623	-	-	-	-	19,623	-
Improvements to Riegel Ridge Community Center	08/21/12	175,000	4,996	-	-	-	-	4,996	-
Various Outdoor Improvements to the Riegel Ridge Community Center	04/02/13	125,000	10,347	-	-	1,179	-	9,168	-
Improvements to Various Roads	05/07/13	350,000	3,941	-	-	3,941	-	-	-
Improvements to the Municipal Complex	05/07/13	50,000	18,602	-	-	334	-	18,268	-
Purchase of Various Public Works Equipment	05/07/13	170,000	18,432	-	-	-	-	18,432	-
Purchase of Police Equipment	05/07/13	50,000	6,146	-	-	-	-	6,146	-
Preservation of Farm Land	05/07/13	550,000	488,677	-	-	123,454	-	365,223	-
Purchase of Real Property	05/21/13	1,300,000	49,040	-	-	851	-	48,189	-
Acquisition of Appurtenances Required for a Brush Truck	03/04/14	50,000	2,195	-	-	-	-	2,195	-
Various Improvements at the Riegel Ridge Community Center and Pool	03/04/14	50,000	23,500	-	-	7,500	-	16,000	-
Construction/Repairs to Various Roads	05/06/14	350,000	19	-	-	19	-	-	-
Construction/Repairs to Various Roads	06/17/14	85,000	1,129	-	-	990	-	139	-
Purchase of Public Works Equipment	06/17/14	280,000	26,647	-	-	3,750	-	22,897	-
Improvements to Bellis Road Phase I	04/21/15	200,000	-	-	200,000	171,794	-	28,206	-
Improvements to Various Roads	04/21/15	300,000	-	-	300,000	268,472	-	31,528	-
Acquisition of Various Public Works Equipment	04/21/15	75,000	-	-	75,000	-	-	75,000	-
Purchase of Police Equipment	05/19/15	35,000	-	-	35,000	35,000	-	-	-
			<u>\$ 730,461</u>	<u>\$ -</u>	<u>\$ 610,000</u>	<u>\$ 644,366</u>	<u>\$ -</u>	<u>\$ 696,095</u>	<u>\$ -</u>

	Ref.	C	C	Below	Below	C	C
<u>Analysis of Current Year Authorizations</u>							
Capital Improvement Fund	C-9			\$ 345,000			
Reserve for Capital Projects	C-10			110,000			
NJ DOT Grants Receivable	C-11			155,000			
				<u>\$ 610,000</u>			
<u>Analysis of Paid or Charged</u>							
Disbursements	C-2				\$ 117,637		
Clearing Account	C-6				328,287		
Encumbrances Payable	C-8				198,442		
					<u>\$ 644,366</u>		

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 553,150
Increased by:		
Current Year Capital Charges	C-7	<u>198,442</u>
		751,592
Decreased by:		
Disbursements	C-2	<u>547,149</u>
Balance December 31, 2015	C	<u><u>\$ 204,443</u></u>

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 1,079,392
Increased by:		
Current Year Budget Appropriations	C-5	<u>300,000</u>
		1,379,392
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>345,000</u>
Balance December 31, 2015	C	<u><u>\$ 1,034,392</u></u>

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL PROJECTS**

Improvement Description	Balance Dec. 31, 2014	Increased in 2015	Decreased in 2015	Balance Dec. 31, 2015
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	-	-	1
Purchase of an Ambulance	75,000	15,000	-	90,000
Purchase of a Fire Truck	50,000	50,000	-	100,000
Community Center Upgrades	25,000	25,000	-	50,000
Purchase of Various Police Equipment	-	35,000	35,000	-
Purchase of Various Public Works Equipment	-	75,000	75,000	-
	<u>\$ 629,569</u>	<u>\$ 200,000</u>	<u>\$ 110,000</u>	<u>\$ 719,569</u>
<u>Ref.</u>	C	C-5	C-7	C

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF NJ D.O.T. GRANTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ -
Increased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>155,000</u>
Balance December 31, 2015	C	<u>\$ 155,000</u>

**TOWNSHIP OF HOLLAND
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM FEDERAL AND STATE GRANT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ -
Increased by:		
Disbursements	C-2	<u>100,000</u>
Balance December 31, 2015	C	<u>\$ 100,000</u>

**TOWNSHIP OF HOLLAND
COUNTY OF HUNTERDON
2015
SEWER UTILITY FUND**

**TOWNSHIP OF HOLLAND
SEWER OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH-TREASURER**

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2014	D	\$ 132,131	\$ 636,801
Increased by Receipts:			
Interest on Deposits	D-3	\$ 293	
Sewer Collector	D-7	458,268	
Due from Sewer Operating	D-14	-	\$ 43,509
Due to Current Fund	D-20	4,414	-
Fund Balance	D-2	-	1,970
		<u>462,975</u>	<u>45,479</u>
		595,106	682,280
Decreased by Disbursements:			
Due from Payroll Account	D-9	3,770	
Encumbrances Payable	D-16	453,798	
Accrued Interest on Notes	D-19	-	3,449
Due to Current Fund	D-20	3,896	-
Due to Sewer Capital Fund	D-21	42,289	-
Improvement Authorizations	D-22	-	49,638
Notes Redeemed	D-28	-	22,500
		<u>503,753</u>	<u>75,587</u>
Balance December 31, 2015	D; D-6	<u>\$ 91,353</u>	<u>\$ 606,693</u>

D-6

**TOWNSHIP OF HOLLAND
SEWER OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH AND RECONCILIATION-TREASURER
PER N.J.S. 40A:5-5**

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2015	D-5	\$ 91,353	\$ 606,693
Increased by:			
Receipts		<u>30,020</u>	<u>102</u>
		121,373	606,795
Decreased by:			
Disbursements		<u>3,061</u>	<u>3,290</u>
Balance January 31, 2016		<u>\$ 118,312</u>	<u>\$ 603,505</u>
<u>Cash Reconciliation January 31, 2016</u>			
Balance Per Statement:			
Hopewell Valley Bank		<u>\$ 118,312</u>	<u>\$ 603,505</u>

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF CASH-COLLECTOR**

	Ref.	Operating Fund
Balance December 31, 2014	D	\$ 4,443
Increased by Receipts:		
Interest and Costs on Sewer Charges	D-3	\$ 3,380
Interest on Deposits	D-3	33
Consumer Accounts Receivable	D-10	475,470
Sewer Rent Overpayments	D-17	30
Prepaid Rents Received	D-18	843
		479,756
		484,199
Decreased by:		
Paid to Sewer Treasurer	D-5	458,268
Balance December 31, 2015	D; D-8	\$ 25,931

D-8

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF CASH AND RECONCILIATION-COLLECTOR
PER N.J.S. 40A:5-5**

	Ref.		
Balance December 31, 2015	D-7		\$ 25,931
Increased by:			
Receipts			17,103
			43,034
Decreased by:			
Disbursements			30,000
Balance January 31, 2016			\$ 13,034
<u>Cash Reconciliation January 31, 2016</u>			
Balance Per Statement:			
Hopewell Valley Bank			\$ 12,687
Add: Deposit-in-Transit			347
Book Balance			\$ 13,034

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF DUE FROM PAYROLL ACCOUNT**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 9,554
Increased by:		
Disbursements	D-5	<u>3,770</u>
		13,324
Decreased by:		
Budget Charges	D-4	<u>13,324</u>
Balance December 31, 2015	D	<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 39,192
Increased by:		
User Fees Levied	Reserve	<u>477,029</u>
		516,221
Decreased by:		
Collections	D-7	\$ 475,470
Overpayments Applied	D-17	306
Prepayments Applied	D-18	<u>428</u>
	D-3	<u>476,204</u>
Balance December 31, 2015	D	<u><u>\$ 40,017</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF DEFERRED CHARGES**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ -
Increased by:		
Emergency Authorizations	D-4	<u>42,000</u>
Balance December 31, 2015	D	<u>\$ 42,000</u>

**TOWNSHIP OF HOLLAND
SEWER CAPITAL FUND
SCHEDULE OF FIXED CAPITAL**

<u>Description</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
Sanitary Sewer System	D	<u>\$ 900,000</u>	<u>\$ 900,000</u>

**TOWNSHIP OF HOLLAND
SEWER CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Ordinance		Balance	Authorizations	Costs	Balance
	Date	Amount	Dec. 31, 2014		to Fixed Capital	Dec. 31, 2015
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

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM SEWER OPERATING FUND**

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ 7,560
Increased by:			
Accrued Interest on Notes	D-21	\$ 3,449	
Current Year Budget Appropriations:			
Deferred Reserve for Amortization	D-25	22,500	
Capital Improvement Fund	D-27	<u>10,000</u>	
			<u>35,949</u>
			43,509
Decreased by:			
Receipts	D-5	42,289	
Interest Earned	D-5	<u>1,220</u>	
			<u>43,509</u>
Balance December 31, 2015	D		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Balance After Transfer	Expended	Balance Lapsed
Operating:				
Salaries and Wages	\$ 917	\$ 917	\$ -	\$ 917
Other Expenses	11,805	11,805	-	11,805
Contribution to Milford Sewer	679	679	-	679
Statutory Expenditures:				
Contribution to:				
Social Security System	276	276	-	276
	\$ 13,677	\$ 13,677	\$ -	\$ 13,677
<u>Ref.</u>	D	D		D-1

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 308
Increased by:		
Current Year Budget Charges	D-4	<u>454,013</u>
		454,321
Decreased by:		
Disbursements	D-5	<u>453,798</u>
Balance December 31, 2015	D	<u><u>\$ 523</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 306
Increased by:		
Overpayments Received	D-7	<u>30</u>
		336
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	\$ 306
Overpayments Canceled	D-3	<u>13</u>
		<u>319</u>
Balance December 31, 2015	D	<u><u>\$ 17</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF PREPAID SEWER RENTS**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 428
Increased by:		
Prepayments Received	D-7	843
		<u>1,271</u>
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	428
		<u>428</u>
Balance December 31, 2015	D	<u>\$ 843</u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON NOTES**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 668
Increased by:		
Current Year Budget Charge	D-4	4,033
		<u>4,701</u>
Decreased by:		
Interest Paid	D-5;D-21	3,449
		<u>3,449</u>
Balance December 31, 2015	D	<u>\$ 1,252</u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF DUE TO CURRENT FUND**

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ -
Increased by:			
Receipts	D-5		<u>4,414</u>
			4,414
Decreased by:			
Disbursements	D-5	\$ 3,896	
Tax Sale Costs	D-3	<u>518</u>	
			<u>4,414</u>
Balance December 31, 2015	D		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
SEWER OPERATING FUND
SCHEDULE OF DUE TO SEWER CAPITAL FUND**

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ 7,560
Increased by:			
Current Year Budget Appropriation	D-4	\$ 32,500	
Accrued Interest on Notes	D-19	<u>3,449</u>	
			<u>35,949</u>
			43,509
Decreased by:			
Disbursements	D-5	42,289	
Interest Earned	D-3	<u>1,220</u>	
			<u>43,509</u>
Balance December 31, 2015	D		<u><u>\$ -</u></u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance		Balance Dec 31, 2014		2015 Authorization	Paid or Charged	Balance Dec 31, 2015	
	Date	Amount	Funded	Unfunded			Funded	Unfunded
Improvement and Repairs to the Sewer Lines	06/19/12	\$ 100,000	\$ 74,427	\$ -	\$ -	\$ 9,224	\$ 65,203	\$ -
Replacement of the Gridley Circle Pump Station	08/06/13	550,000	-	518,389	-	41,340	-	477,049
			<u>\$ 74,427</u>	<u>\$ 518,389</u>	<u>\$ -</u>	<u>\$ 50,564</u>	<u>\$ 65,203</u>	<u>\$ 477,049</u>
	<u>Ref.</u>		D	D		Below	D	D
Cash Disbursed		D-5				\$ 49,638		
Encumbrances Payable		D-24				<u>926</u>		
						<u>\$ 50,564</u>		

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 900,000</u>
Balance December 31, 2015	D	<u><u>\$ 900,000</u></u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ -
Increased by:		
Improvement Authorization Charges	D-22	<u>926</u>
Balance December 31, 2015	D	<u><u>\$ 926</u></u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015**

Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	Authorizations	Current Year Budget Appropriation	Balance Dec. 31, 2015
Improvement and Repairs to the Sewer Lines	6/19/2012	\$ 100,000	\$ -	\$ 22,500	\$ 122,500
Replacement of the Gridley Circle Pump Station	8/6/2013	27,500	-	-	27,500
		<u>\$ 127,500</u>	<u>\$ -</u>	<u>\$ 22,500</u>	<u>\$ 150,000</u>
	<u>Ref.</u>	D		D-14; D-28	D

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ALTERATION OF SEWER SYSTEM**

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 30,000</u>
Balance December 31, 2015	D	<u><u>\$ 30,000</u></u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 21,545
Increased by:		
Current Year Budget Appropriation	D-14	<u>10,000</u>
Balance December 31, 2015	D	<u><u>\$ 31,545</u></u>

**TOWNSHIP OF HOLLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Improvement Description	Original Note	Date of		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
		Issue	Maturity					
Sewer Purposes	10/23/2014	10/23/2014	10/22/2015	0.66%	\$ 522,500	\$ -	\$ 522,500	\$ -
Sewer Purposes	10/23/2014	10/22/2015	10/21/2016	1.25%	-	500,000	-	500,000
					<u>\$ 522,500</u>	<u>\$ 500,000</u>	<u>\$ 522,500</u>	<u>\$ 500,000</u>
				Ref.	D	Below	Below	D
	Notes Reissued			Contra		\$ 500,000	\$ 500,000	
	Paid from Budget Appropriation			D-5; D-25		-	22,500	
						<u>\$ 500,000</u>	<u>\$ 522,500</u>	

TOWNSHIP OF HOLLAND

PART II

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



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, 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, the financial statements - *regulatory basis* of the various funds and account group of the Township of Holland, in the County of Hunterdon, (the Municipality) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated July 13, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That report contained an unmodified opinion on the financial statements - *regulatory basis*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the 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 Municipality'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Municipality'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 Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC



William M. Colantano
Certified Public Accountant
Registered Municipal Accountant

July 13, 2016
Flemington, New Jersey

**TOWNSHIP OF HOLLAND
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Award Amount	Grant Period		Balance 12/31/2014	Receipts	Expended	Canceled	Balance 12/31/2015
		From	To					
Clean Communities Program	\$ 14,588	01/01/14	12/31/14	\$ 6,746	\$ -	\$ 6,746	\$ -	\$ -
Clean Communities Program	17,722	01/01/15	12/31/15	-	17,722	4,414	-	13,308
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	12,790	01/01/13	12/31/13	12,475	-	12,475	-	-
Recycling Tonnage Grant	33,698	01/01/14	12/31/14	33,698	-	23,127	-	10,571
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	-	618	-	700
Body Armor Grant	921	01/01/14	12/31/14	921	1	-	-	922
Body Armor Grant	1,005	01/01/15	12/31/15	-	1,005	-	-	1,005
Uniform Fire Code Violations	375	01/01/08	12/31/08	375	-	-	-	375
New Jersey Environmental Commissions								
ANJEC Grant	1,480	01/01/15	12/31/15	-	990	1,480	-	(490)
New Jersey Historical Commission Grant	3,000	01/01/15	12/31/15	-	3,000	-	-	3,000
Highlands Grant-First	100,000	01/01/11	12/31/11	(8,628)	-	7,970	-	(16,598)
Highlands Grant-Third	25,000	01/01/15	12/31/15	-	-	7,956	-	(7,956)
Geon Energy Grant	500	01/01/12	12/31/12	91	-	91	-	-
FEMA Shelter Grant	750	01/01/13	12/31/13	750	-	-	-	750
FEMA Shelter Grant	29,981	01/01/13	12/31/13	14,128	-	233	-	13,895
FEMA HMGP Grant	112,000	01/01/13	12/31/13	(544)	-	104,637	-	(105,181)
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	-
Health Wellness Grant	1,000	01/01/15	12/31/15	-	1,000	1,000	-	-
				<u>\$ 73,178</u>	<u>\$ 23,718</u>	<u>\$ 170,946</u>	<u>\$ 2,000</u>	<u>\$ (76,050)</u>

**TOWNSHIP OF HOLLAND
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of State Awards (the "Schedule") includes the state grant activity of the Township of Holland, County of Hunterdon (the "Municipality") under programs of the state governments for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of the Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedule presents only a selected portion of the operations of the Municipality, it is intended to and do not present the financial position, changes in fund balance or cash flows of the Municipality.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the Schedules agree with the amounts reported in the state financial reports.

TOWNSHIP OF HOLLAND

PART III

STATISTICAL DATA

INSURANCE SCHEDULE

LIST OF OFFICIALS

GENERAL COMMENTS

RECOMMENDATIONS

SEE INDEPENDENT AUDITORS' REPORT

TOWNSHIP OF HOLLAND
STATISTICAL DATA

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
COMPARATIVE SCHEDULE OF OPERATIONS AND CHANGE IN FUND BALANCE-CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015		2014	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 695,000	3.35	\$ 1,346,453	6.55
Miscellaneous-From Other Than Local Property Tax Levied	3,883,664	18.73	3,722,167	18.09
Collection of Delinquent Taxes & Tax Title Liens	245,003	1.18	228,425	1.11
Collection of Current Tax Levy	<u>15,908,743</u>	<u>76.73</u>	<u>15,274,053</u>	<u>74.25</u>
Total Income	<u>20,732,410</u>	<u>100.00</u>	<u>20,571,098</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	5,025,807	25.13	4,957,908	24.93
County Taxes	2,459,905	12.30	2,466,864	12.40
Local School Taxes	8,771,709	43.87	8,634,029	43.42
Regional School Taxes	3,667,966	18.34	3,827,933	19.25
Other Expenditures	<u>70,913</u>	<u>0.35</u>	<u>9</u>	<u>0.00</u>
Total Expenditures	<u>19,996,300</u>	<u>100.00</u>	<u>19,886,743</u>	<u>100.00</u>
Excess in Revenue	736,110		684,355	
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>-</u>	
Regulatory Excess to Fund Balance	736,110		684,355	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>2,019,743</u>		<u>2,681,841</u>	
	2,755,853		3,366,196	
Less: Utilization as Anticipated Revenue	<u>695,000</u>		<u>1,346,453</u>	
Fund Balance December 31,	<u>\$ 2,060,853</u>		<u>\$ 2,019,743</u>	

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
COMPARATIVE SCHEDULE OF OPERATIONS AND CHANGE IN FUND BALANCE-SEWER UTILITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015		2014	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 59,600	10.74	\$ 35,200	6.99
Miscellaneous-From Other Than Sewer Service Charges	19,134	3.45	48,488	9.62
Collection of Sewer Service Charges	<u>476,204</u>	<u>85.81</u>	<u>420,113</u>	<u>83.39</u>
Total Income	<u>554,938</u>	<u>100.00</u>	<u>503,801</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	476,000	92.60	400,500	94.19
Capital Improvements	10,000	1.95	10,000	2.35
Debt Service	26,533	5.16	13,500	-
Deferred Charges & Statutory Expenditures	<u>1,500</u>	<u>0.29</u>	<u>1,200</u>	<u>0.28</u>
Total Expenditures	<u>514,033</u>	<u>100.00</u>	<u>425,200</u>	<u>96.83</u>
Excess in Revenue	40,905		78,601	
Adjustment to Income Before Fund Balance: Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>42,000</u>		<u>-</u>	
Regulatory Excess to Fund Balance	82,905		78,601	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>123,181</u>		<u>79,780</u>	
	206,086		158,381	
Less: Utilization as Anticipated Revenue	<u>59,600</u>		<u>35,200</u>	
Fund Balance December 31,	<u>\$ 146,486</u>		<u>\$ 123,181</u>	

SEE INDEPENDENT AUDITORS' REPORT

**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	
2015	\$ -	\$ 0.19	\$ 0.39	\$ 1.40	\$ 0.58	\$ 2.56
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

* 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
2015	\$ 628,414,718	\$ 660,724,128	95.11%
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%

* Revalued/Reassessed

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

Year	Tax Levy	Cash Collections	Percentage of Collections
2015	\$ 16,132,875	\$ 15,908,743	98.61%
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%

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
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
2015	6,975,500	524,687,600	429,300	15,119,411	68,466,590	11,231,600	626,910,001

(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
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	3.87%
2012	373,879	176,231	550,110	3.68%
2013	91,392	228,425	319,817	2.15%
2014	91,392	246,952	338,344	2.18%
2015	91,392	216,132	307,524	1.91%

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
(Continued)**

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last

<u>Year</u>	<u>Amount</u>
2015	\$ 194,300
2014	359,300
2013	424,300

COMPARISON OF SEWER UTILITY LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2015	\$ 477,029	\$ 476,204	99.83%
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%

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund		
2015	\$ 2,060,853	\$ 700,000
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

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
(Continued)**

COMPARATIVE SCHEDULE OF FUND BALANCES

	Year	Dec. 31,	Utilized in Budget of Succeeding Year
Sewer Utility	2015	\$ 146,486	\$ 121,750
	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

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
SCHEDULE OF DEBT INCURRING CAPACITY
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Municipal:

1. Equalized Valuations of Real Property (2015, 2014, 2013)	\$ 663,859,545
2 Permitted Municipal Debt Limitation (3.5% of \$663,859,545)	23,235,084
3 Net Debt Issued, Outstanding & Authorized	500,000
4 Excess School Borrowing	-
5 Total Charges to Borrowing Margin	<u>500,000</u>
6 Remaining Municipal Borrowing Capacity	<u><u>\$ 22,735,084</u></u>

Regional Grammar School District:

1. Permitted School District Debt Limitation (3.0% of \$663,859,545)	\$ 19,915,786
2 Debt Issued, Outstanding & Authorized	<u>-</u>
3 Remaining Local School Borrowing Capacity	<u><u>\$ 19,915,786</u></u>

GROSS & STATUTORY NET DEBT AS OF DECEMBER 31,

<u>Year</u>	Gross Debt	<u>Statutory Net Debt</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Percentage</u>
2015	\$ 1,096,956	\$ 500,000	0.08%
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
SCHEDULE OF DEBT INCURRING CAPACITY
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

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	500,000	
Bonds and Notes Authorized but not Issued	-	500,000

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	596,956	
Notes	-	
Bonds and Notes Authorized but not Issued	-	-
		596,956

Total Gross Debt

1,096,956

Statutory Deductions:

Municipal	-	
Utility	-	
Grammar School District:	-	
Regional High School District	596,956	
		596,956

Total Net Debt

\$ 500,000

	Debt Outstanding	Estimated % Applicable		
Overlapping Debt as of December 31, 2015:				
Grammar School District Debt	\$ -	100.00%	\$	-
Regional High School District Debt	2,090,000	29.00%	596,956	
County Debt	70,347,424	3.37%	2,370,708	
				\$ 2,967,664

**TOWNSHIP OF HOLLAND
STATISTICAL DATA
SCHEDULE OF INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Gross Debt (\$1,096,956):	
Per Capita (Population 2010 Census-5,124)	\$ 214
Percent of Average Equalized Valuation Basis (2015-\$663,859,545)	0.17%
Percent of Net Valuation Taxable (2015-\$628,414,718)	0.17%
Net Municipal Debt (\$500,000):	
Per Capita (Population 2010 Census-5,124)	\$ 98
Percent of Average Equalized Valuation Basis (2015-\$663,859,545)	0.08%
Percent of Net Valuation Taxable (2015-\$628,414,718)	0.08%
Overall Debt (Gross and Overlapping Debt-\$3,467,664):	
Per Capita (Population 2010 Census-5,124)	\$ 677
Percent of Average Equalized Valuation Basis (2015-\$663,859,545)	0.52%
Percent of Net Valuation Taxable (2015-\$628,414,718)	0.55%

**TOWNSHIP OF HOLLAND
SCHEDULE OF INSURANCE
YEAR ENDED DECEMBER 31, 2015
(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)	20,285,178	1,000
Excess General Liability-Statewide Insurance Fund	5,000,000	-
Crime Coverage-Statewide Insurance Fund: Employee Dishonesty	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
SCHEDULE OF OFFICIALS
(UNAUDITED)**

OFFICIALS IN OFFICE

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

<u>Name</u>	<u>Title</u>
Raymond Krov	Mayor
Daniel Bush	Deputy Mayor
Anthony Roselle	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

GENERAL COMMENTS AND RECOMMENDATIONS

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL COMMENTS**

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S. 40A:11-4

N.J.S. 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, \$17,500 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
Fireworks Display
Door Replacement
Animal Control Services
Light Pole and Generator
Sanitary Sewer Repair Project
Charles Road Drainage Project
Snow and Ice Control Materials
Bellis Road Improvement Project
Riegel Ridge Community Center Generator

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

Auditor
Engineer
Appraiser
Insurance Agent
Municipal Attorney
Planning Consultant
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 N.J.S. 40A:11-6.

SEE INDEPENDENT AUDITORS' REPORT

**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 6, 2015, 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 2015 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>
2015	1
2014	1
2013	1

OTHER COMMENTS

Finding: Receiving signatures were not evident on all payment forms verifying receipt of goods or services rendered.

Criteria: Payment forms should include a section where someone with knowledge of the facts signs that goods or services rendered were received.

Condition: Receiving signatures were not found on several payment vouchers selected for testing.
Cause: The method of processing payments did not include verifying that receiving signatures were evident.

Effect: Payments were made without someone having knowledge of the facts signing that goods or services rendered were received.

SEE INDEPENDENT AUDITORS' REPORT

**TOWNSHIP OF HOLLAND
GENERAL COMMENTS
(Continued)**

OTHER COMMENTS (Continued)

Recommendation: 2015-01 Receiving signatures should be evident on all payment forms verifying the receipts of goods or services rendered.

Finding: Federal Form W-4 and I-9 were not found for all individuals.

Criteria: Each employee personnel file should include a properly completed Federal W-4 Form and I-9 Form.

Condition: Forms selected for inspection were not evident.

Cause: The procedures for maintaining personnel files did not ensure that Federal employment forms were on file for all individuals.

Effect: Personnel files for several employees did not include properly completed federal employment forms.

Recommendation: 2015-02 Procedures be implemented guaranteeing that federal employment forms are on file or all appropriate individuals.

Finding: Receipts collected at the Riegel Ridge Community Center were not deposited timely.

Criteria: New Jersey statutes require that receipts be deposited within 48 hours of collection.

Condition: Cash receipts selected for testing were not deposited within 48 hours of collection.

Cause: Procedures were not in place to ensure that receipts would be deposited within 48 hours of collection.

Effect: Cash receipts were not deposited in the bank in a timely manner.

Recommendation: 2015-03 Procedures be implemented guaranteeing that receipts are deposited within 48 hours of collection.

**TOWNSHIP OF HOLLAND
RECOMMENDATIONS**

It is recommended that:

2015-01 Receiving signatures are to be evident on all applicable expenditure forms.

2015-02 Federal employment forms are to be evident for all employees.

2015-03 All officials receiving funds are to be advised of the statutory requirement that deposits are to be made within 48 hours of receipt.

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. Receiving signatures are to be evident on all applicable forms.
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 July 13, 2016.

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 Borough officials and employees during the course of the examination.

Bedard, Kurowicki & Co.

BEDARD, KUROWICKI & CO., CPA'S, PC



William M. Colantano
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