

HOLLAND TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**HOLLAND TOWNSHIP BOARD OF EDUCATION
HOLLAND TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Prepared by

**HOLLAND TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

**HOLLAND TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

HOLLAND TOWNSHIP BOARD OF EDUCATION

2.0

714 Milford-Warren Glen Road

Milford, NJ 08848

PHONE: 908/995-2772 FAX: 908/995-2011

Emil Suarez
Superintendent

Abigail J. Postma
Business Administrator

September 19, 2013

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey 08848

Dear Board Members:

The comprehensive annual financial report of the Holland Township School District for fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organization chart and a listing of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and local Governments", and the State Treasury OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Holland Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Holland Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through eight, as well as special education for handicapped children. The District completed 2012-2013 fiscal year with an average daily enrollment of 622.3 students in grades PK through 8. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013	622.3	(4.1)
2012	648.8	(1.24)
2011	656.9	(0.95)
2010	663.2	(1.76)
2009	674.9	(1.4)
2008	683.8	(4.1)
2007	713.4	(.40)
2006	716.3	1.07
2005	708.7	3.50
2004	684.6	1.25
2003	676.2	(2.77)
2002	695.5	(.16)
2001	696.9	1.70
2000	685.0	3.55

2. ECONOMIC CONDITION and OUTLOOK:

Holland Township is a rural community of 22.7 square miles. Much of the township remains undeveloped. GPU Energy, the township's largest taxpayer, provides gross receipts that help offset local taxes. With few other commercial properties in Holland Township to share in the tax base, a township population that includes a significant number of senior citizens on fixed incomes, and dwindling surplus and reduced state aid, homeowners continue to bear the burden of increased local taxes.

3. MAJOR INITIATIVES:

Science textbooks and materials were reviewed, and a series selected for purchase for use in grades K-8 beginning with the 2013-2014 school year. Also, the district's Language Arts Literacy, and Math (Grades 3-5) curriculums were reviewed and revised to align with the Common Core Curriculum Standards. Also, the Three Year English Language Services Plan was approved by the Board of education and the New Jersey Department of Education.

Based on student performance on the NJASK the district continues to work on closing the achievement gap the district with the use SuccessMaker, academic support, extended school day tutoring, the use of differentiated instruction and the implementation of a formal writing program. The infusion of technology into classroom instructions continues to be a focus of the district. The district is beginning a one-to-one computer initiative and has purchased PC Tablets for distribution to all sixth grade students.

The Holland Township School District embraces the importance of staff development. This comprehensive program includes sustained, job embedded professional development. Innovative Designs for Education provides staff with ongoing professional development through seminars, small group meetings and professional dialog to provide staff with knowledge and skills in the area of Problem Based Learning. The district has also contracted with Schoolwide Inc., Educational Solutions for the purpose of providing staff with professional development in the area of writing.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets approved for capital improvements are accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

6. ACCOUNTING SYSTEM and REPORTS:

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

7. DEBT ADMINISTRATION:

As of June 30, 2013, the District's outstanding debt was \$0.

8. CASE MANAGEMENT:

2.3

The investment policy of the District is guided part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William Colantano, Jr., P.C. was appointed by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements set forth in state statutes; the audit was also designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter OMB Circular 04-04. The auditor's report on the financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single section of this report.

11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Holland Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and, thereby, contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated service of our financial accounting staff.

Respectfully submitted,



Emil Suarez,
Superintendent



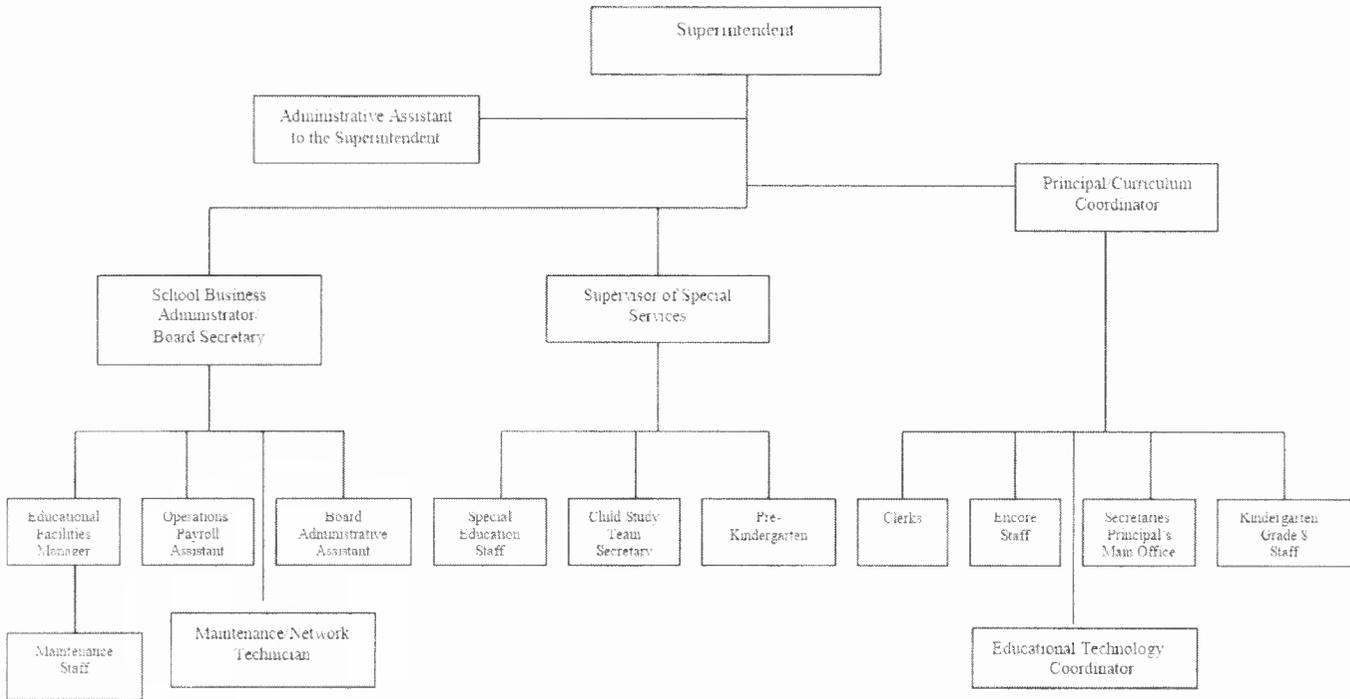
Abigail J. Postma, RSBA
Business Administrator/Board Secretary

POLICY

HOLLAND TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



- Superintendent Evaluations
- Principal Curriculum Coordinator
 - Supervisor of Special Services
 - School Business Administrator/Board Secretary
 - Administrative Assistant to the Superintendent
 - Educational Facilities Manager
 - Maintenance/Network Technician



HOLLAND TOWNSHIP SCHOOL DISTRICT
MILFORD, NEW JERSEY

ROSTER OF OFFICIALS

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Lorraine Scheibener	President	2013
John Geissler		2013
John McDowall	Vice-President	2015
William Moebus		2014
Roger Schneider		2015
Vonnie Scott		2015
Joseph Somers		2014
William Soucie		2014
Kathy Vandenburg		2013

Other Officials

Emil Suarez, Superintendent

Abigail Postma, Board Secretary/School Business Administrator

Patti Fischer, Treasurer

HOLLAND TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

Audit Firm

William M. Colantano, Jr., CPA
100 Route 31 North
Washington, NJ 07882-1530

Architect

Chapin Architectural Services PA
Kellen Chapin
17 Main Street
Netcong, NJ 07857

Attorney

Schwartz, Simon, Edelstein, & Celso, LLC
100 South Jefferson Road
Suite 200
Whippany, NJ 07981

Official Depository

Investors Savings Book
3563 Highway 22 North
Whitehouse, NJ 08888

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

September 19, 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Holland Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

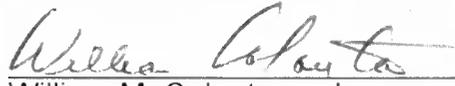
Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 District's internal control over financial reporting and compliance.


William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

11.0

This section of the Holland Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Township of Holland School District financial activities for the fiscal year ended June 30, 2013. Please read in it conjunction with the transmittal letter on page 2 and the District's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- In total, net position decreased \$138,074, which represents a 1.75 percent decrease from 2012.
- General revenues accounted for \$11,162,540 in revenue or 96.08 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$455,287 or 3.92 percent to total revenues of \$11,617,827.
- Total assets of governmental activities decreased by \$133,092 as cash and cash equivalents increased by \$444,264 receivables decreased by \$281,607 and capital assets decreased by \$295,749.
- The School District had \$11,913,362 in expenses; only \$455,287 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$11,162,540 were adequate to provide for these programs.
- Among major funds, the General Fund had \$11,227,409 in revenues and \$11,225,455 in expenditures. After factoring in other financing sources of \$158,601, the General Fund balance increased by \$160,555 over fiscal year 2012. This can be attributed to effective cost-cutting measures implemented by the District.

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

11.1

This annual report consists of three parts: Management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 14. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net Position the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net Position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's capital assets to assess the overall *health* of the District.

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

11.2

In the Statement of Net Position and the Statements of Activities, we divide the District into two kinds of activities:

- Governmental activities: most of the District's basic services are reported here, including general administration. Local taxes, tuition, and state and federal aid finance most of these activities.
- Business-type-activities: the District has one proprietary fund as shown on pages 22 through 24 which is the Food Service Fund. The Food Service Fund provides low cost, well balanced meals to the students and staff in the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 17 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State Law. The District's two kinds of funds, governmental and proprietary, use of different accounting approaches.

Governmental funds: most of District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statements of Activities) and governmental funds in a reconciliation on page 21.

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

statements but provide more detail and additional information, such as cash flows, for proprietary funds

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 25 and 26. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The District as a Whole

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net Position). Net Position may serve over time as a useful indicator of a district's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. Table 1 provides a summary of the District's net position at June 30, 2013 with comparisons to June 30, 2012.

**Table 1
Net Position**

	6/30/13	6/30/12	Variance	
			Dollars	%
Current & Other Assets	1,534,511	1,365,104	169,407	12.41
Capital Assets	6,925,836	7,223,192	(297,356)	(4.12)
Total Assets	<u>8,460,347</u>	<u>8,588,296</u>	<u>(127,949)</u>	<u>(1.49)</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

11.4

Long-Term Liabilities	375,950	370,947	5,003	1.35
Other Liabilities	336,386	331,264	5,122	1.55
Total Liabilities	<u>712,336</u>	<u>702,211</u>	<u>10,125</u>	1.44
Net Position:				
Net Investment in				
Capital Assets	6,925,836	7,223,192	(297,356)	(4.12)
Restricted	324,810	466,440	(141,630)	(30.36)
Unrestricted	497,365	196,453	300,912	153.17
Total Net Position	<u><u>7,748,011</u></u>	<u><u>7,886,085</u></u>	<u><u>(138,074)</u></u>	(1.75)

Net Position of the District's district-wide activities decreased by 1.75 percent. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased \$300,912 or 153.17 percent. Restricted net position, those restricted mainly for capital projects decreased by \$141,630 or 30.36 percent. Net investment in Capital Assets, decreased by \$297,356 or 4.12 percent.

Table 2 provides a summary of the District's changes in net position in fiscal year 2013 with comparisons to fiscal year 2012.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/13	6/30/12	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	221,000	232,356	(11,356)	(4.89)
Operating Grants	234,287	230,414	3,873	1.68
Capital Grants	-	240,697	(240,697)	(100.00)
General Revenues:				

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

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Property Taxes	8,298,760	8,416,472	(117,712)	(1.40)
Unrestricted Grants	2,850,495	2,626,291	224,204	8.54
Other	<u>13,285</u>	<u>19,494</u>	<u>(6,209)</u>	(31.85)
Total Revenues	<u>11,617,827</u>	<u>11,765,724</u>	<u>(147,897)</u>	(1.26)

Program Expenses

Instruction:				
Regular	4,718,854	4,733,165	(14,311)	(0.30)
Special	2,153,821	2,014,249	139,572	6.93
Other	369,532	316,180	53,352	16.87
Support Services:				
Tuition	135,257	118,211	17,046	14.42
Student & Instructional				
Staff	1,594,527	1,550,042	44,485	2.87
General & Business				
Administration	908,390	839,603	68,787	8.19
School Administration	302,974	319,695	(16,721)	(5.23)
Maintenance	1,159,462	1,009,554	149,908	14.85
Transportation	382,359	352,494	29,865	8.47
Food Service	173,137	200,892	(27,755)	(13.82)
Interest on Long-Term Debt	15,049	20,493	(5,444)	(26.57)
Total Expenses	<u>11,913,362</u>	<u>11,474,578</u>	<u>438,784</u>	3.82

Increases (Decreases)

Before				
Special Items	<u>(295,535)</u>	<u>291,146</u>	<u>(586,681)</u>	(201.51)

Special Items:

Insurance Proceeds for				
Flood Damage	157,461	-0-	157,461	*
Prior Year Accounts				
Receivable Cancelled	-0-	(704)	704	(100.00)
Loss on Disposals of				
Capital Assets	-0-	(1,204)	1,204	(100.00)
Transfers	<u>-0-</u>	<u>(10,000)</u>	<u>10,000</u>	(100.00)
Total Special Items	<u>157,461</u>	<u>(11,908)</u>	<u>169,369</u>	

Increase (Decrease) in Net Position

	<u>(138,074)</u>	<u>279,238</u>	<u>(417,312)</u>	(206.09)
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* = Undefined

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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11.6

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the school district operations. Property taxes made up 72.54 percent of revenues for governmental activities for the Holland Township School District for the fiscal year 2013. The district's total governmental revenues were \$11,440,389 for the year ended June 30, 2013.

The total cost of all program expenses and services for governmental activities was \$11,740,225.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school

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events, public events, or a combination of these for the purposes of motivation, enjoyment, and skill improvement.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District. Table 3 provides a summary of the District's cost of governmental services in fiscal year 2013 with comparisons to fiscal year 2012.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/13	6/30/12	6/30/13	6/30/12
Instruction	7,242,207	7,063,594	7,142,359	6,743,272
Support Services:				
Tuition	135,257	118,211	85,257	118,211
Student & Instructional Staff General & Business	1,594,527	1,550,042	1,487,514	1,412,138
Administration	908,390	839,603	908,375	818,152
School Administration	302,974	319,695	302,974	311,914
Plant Operations & Maintenance	1,159,462	1,009,554	1,138,489	994,135
Pupil Transportation	382,359	352,494	382,359	352,494
Interest on Long-Term Debt	15,049	20,493	15,049	20,493
Total Expenses	11,740,225	11,273,686	11,462,376	10,770,809

The School District's Funds

All governmental funds, General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,418,908 and expenditures were \$11,417,992 and net other financing uses were \$157,461. The net increase in fund balance for

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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11.8

the year of \$158,377 was most significant in the General Fund due to the effective cost-cutting measures implemented by the District.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Fund Budgeting Highlights

The Holland Township School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Budgets are prepared in December/January with revenue information made available in February/ March and a public vote on the school district budget in November. The fiscal year runs from July 1 through June 30. Changes occur over that 18-month period.

Unanticipated shifts in enrollment, staffing needs, students requiring special services, uncertain energy costs, and unfunded programs are often mandated after a budget is adopted.

The District builds a budget to meet the needs of its students based on the information and projections that are available during the budget cycle.

During the course of the 2013 fiscal year, the District amended its General Fund Budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the General Fund, budgeted revenues were \$10,279,140, which was \$243,051 above original budget estimates of \$10,036,089. The difference was due primarily to unbudgeted extraordinary aid realized of \$173,455, and unbudgeted tuition revenue realized of \$57,669. General Fund revenues and other financing sources were more than expenditures and other financing uses by \$169,913.

Capital Assets

At the end of the fiscal year 2013, the District had \$6,925,836 invested in land, buildings, furniture, equipment, vehicles and construction in progress. Table 4 provides a summary of the District's net capital assets at June 30, 2013 with comparisons to June 30, 2012.

HOLLAND TOWNSHIP SCHOOL DISTRICT
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Table 4
Capital Assets at Year-end
(Net of Depreciation)

	6/30/13	6/30/12	Variance	
			Dollars	%
Land	347,800	347,800	-	0.00
Construction in Progress	35,353	739,997	(704,644)	(95.22)
Buildings & Improvements	6,445,690	6,019,938	425,752	7.07
Furniture & Equipment	93,695	109,960	(16,265)	(14.79)
Vehicles	3,298	5,497	(2,199)	(40.00)
Total	<u>6,925,836</u>	<u>7,223,192</u>	<u>(297,356)</u>	<u>(4.12)</u>

During fiscal year 2013, the District expended for professional fees of \$35,353 for a storm drainage system alteration project and a secured vestibule/main office relocation project.

Debt and Long-term Liabilities

At year-end, the District had total long-term liabilities of \$375,950 outstanding as compared to \$370,947 in the previous year, which is an increase of 1.35 percent. Table 5 provides a summary of the District's long-term liabilities at June 30, 2013 with comparisons to June 30, 2012.

HOLLAND TOWNSHIP SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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Table 5
Long-term Liabilities at Year-end

	6/30/13	6/30/12	Variance	
			Dollars	%
Compensated Absences	375,950	370,947	5,003	1.35
	<u>375,950</u>	<u>370,947</u>	<u>5,003</u>	<u>1.35</u>

The general obligation bonded debt of the District is limited by State law to 3% of the average equalized assessed values of the total taxable property in the District for the past three year. The legal debt limit at June 30, 2013 is \$22,231,980. General obligation debt authorized and outstanding at June 30, 2013 is \$0 resulting in a legal debt margin of \$22,231,980.

An analysis of the District's Debt is presented in Note 5 to the basic financial statements.

Budgets

The significant variances between the originally adopted budget for the year 2013, and the final budget were caused by the treatment of encumbrances that are added to the original budget.

Factors Bearing on the District's Future

The Holland Township School District is in good financial condition. A major concern is the ever-increasing special education costs with the increased reliance of local property taxes to support the District's programs. Future finances are not without challenges as the community continues to struggle in these difficult financial times and State funding remains inadequate

The Holland Township Board of Education approved moving the school elections to November and continues to work to keep the local tax levy increase at or below 2%. The 2% tax levy cap presents challenges to the district as costs for special education, personnel, benefits and other

HOLLAND TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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operating costs tend to rise at faster rate. Receiving minimal state aid Holland Township must rely on local property taxes to support 73 percent of their operating budget.

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 957,275	\$ 26,245	\$ 983,520
Due from Other Funds	3,834		3,834
Receivables, Net	215,597	1,772	217,369
Inventory		4,978	4,978
Restricted Assets:			
Capital Reserve Account-Cash	276,810		276,810
Maintenance Reserve Account-Cash	48,000		48,000
Capital Assets (Note 4):			
Land and Construction in Progress	383,153		383,153
Other Capital Assets, Net of Depreciation	6,525,321	17,362	6,542,683
Total Assets	<u>8,409,990</u>	<u>50,357</u>	<u>8,460,347</u>
LIABILITIES			
Accounts Payable	76,251		76,251
Deferred Revenue	256,985	3,150	260,135
Long-Term Liabilities (Note 5):			
Due Within One Year	27,923		27,923
Due Beyond One Year	348,027		348,027
Total Liabilities	<u>709,186</u>	<u>3,150</u>	<u>712,336</u>
NET POSITION			
Net Investment in Capital Assets	6,908,474	17,362	6,925,836
Restricted for:			
Capital Reserve	276,810		276,810
Maintenance Reserve	48,000		48,000
Unrestricted	467,520	29,845	497,365
TOTAL NET POSITION	<u>\$ 7,700,804</u>	<u>\$ 47,207</u>	<u>\$ 7,748,011</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expenses) Revenues & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 3,097,622	\$ 1,621,232	\$ 37,883	\$ 16,225		\$ (4,664,746)		\$ (4,664,746)
Special Education	1,382,053	771,768	20,480			(2,133,341)		(2,133,341)
Other Special Instruction	178,512	99,707		18,456		(259,763)		(259,763)
Other Instruction	64,417	26,896	6,804			(84,509)		(84,509)
Support Services:								
Tuition	135,257			50,000		(85,257)		(85,257)
Students & Instruction Related Services	1,099,233	495,294	195	106,818		(1,487,514)		(1,487,514)
General & Business Administration Services	642,278	266,112	15			(908,375)		(908,375)
School Administration Services	198,259	104,715				(302,974)		(302,974)
Plant Operations & Maintenance	971,956	187,506	20,973			(1,138,489)		(1,138,489)
Pupil Transportation	382,359					(382,359)		(382,359)
Interest on Long-Term Debt	15,049					(15,049)		(15,049)
Total Governmental Activities	<u>8,166,995</u>	<u>3,573,230</u>	<u>86,350</u>	<u>191,499</u>	<u>\$ -</u>	<u>(11,462,376)</u>	<u>\$ -</u>	<u>(11,462,376)</u>
Business-Type Activities:								
Food Service	173,137		134,650	42,788			4,301	4,301
Total Business-Type Activities	<u>173,137</u>	<u>-</u>	<u>134,650</u>	<u>42,788</u>	<u>-</u>	<u>-</u>	<u>4,301</u>	<u>4,301</u>
Total Primary Government	<u>\$ 8,340,132</u>	<u>\$ 3,573,230</u>	<u>\$ 221,000</u>	<u>\$ 234,287</u>	<u>\$ -</u>	<u>(11,462,376)</u>	<u>4,301</u>	<u>(11,458,075)</u>
			General Revenues, Transfers and Special Items					
						8,298,760		8,298,760
						2,850,495		2,850,495
						7,673		7,673
						5,612		5,612
						157,461		157,461
						<u>11,320,001</u>	<u>-</u>	<u>11,320,001</u>
						(142,375)	4,301	(138,074)
						7,843,179	42,906	7,886,085
						<u>\$ 7,700,804</u>	<u>\$ 47,207</u>	<u>\$ 7,748,011</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 957,275				\$ 957,275
Due from Other Funds	19,891				19,891
Receivables from Other Governments:					
Federal		\$ 20,917			20,917
State	190,500				190,500
Local	4,180				4,180
Restricted Cash & Equivalents	324,810				324,810
TOTAL ASSETS	\$ 1,496,656	\$ 20,917	\$ -	\$ -	\$ 1,517,573
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to Other Funds		\$ 16,057			\$ 16,057
Accounts Payable	\$ 76,251				76,251
Deferred Revenue	252,125	4,860			256,985
Total Liabilities	328,376	20,917	\$ -	\$ -	349,293

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus	\$ 109,292				\$ 109,292
Excess Surplus-Designated for Subsequent Year's Expenditures	100,816				100,816
Committed Fund Balance:					
Capital Reserve Account	276,810				276,810
Maintenance Reserve Account	48,000				48,000
Assigned Fund Balance:					
Year-End Encumbrances	380,243				380,243
Unassigned Fund Balance	253,119				253,119
Total Fund Balances	<u>1,168,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,168,280</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,496,656</u>	<u>\$ 20,917</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net Position
(A-1) are different because:

Capital assets used in government activities are not financial resources & therefore
are not reported in the funds. The cost of the assets is
and the accumulated depreciation is

\$ 13,764,756
6,856,282

6,908,474

Long-term liabilities, including bonds payable, are not due & payable in the current period
& therefore are not reported as liabilities in the funds

(375,950)

Total Net Position of Governmental Activities

\$ 7,700,804

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,298,760				\$ 8,298,760
Tuition Charges	57,669				57,669
Interest Earned on Capital Reserve Funds	1,530				1,530
Interest on Investments	6,143				6,143
Miscellaneous	12,812	\$ 16,225			29,037
Total	8,376,914	16,225	\$ -	\$ -	8,393,139
State Sources	2,850,495	1,972			2,852,467
Federal Sources		173,302			173,302
Total Revenues	11,227,409	191,499	-	-	11,418,908
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	3,078,365	16,225			3,094,590
Special Education Instruction	1,381,573				1,381,573
Other Special Instruction	159,760	17,144			176,904
Other Instruction	57,613				57,613
Support Service & Undistributed Costs:					
Tuition	85,257	50,000			135,257
Student & Instruction Related Services	990,736	106,818			1,097,554
General & Other Administrative Services	642,263				642,263
School Administrative Services	197,959				197,959
Plant Operations & Maintenance	953,304				953,304
Pupil Transportation	382,359				382,359
Unallocated Benefits	3,241,091	1,312			3,242,403

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 40,126		\$ 1,038		\$ 41,164
Debt Services:					
Interest & Other Charges	15,049				15,049
Total Expenditures	<u>11,225,455</u>	<u>\$ 191,499</u>	<u>1,038</u>	<u>\$ -</u>	<u>11,417,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,954</u>	<u>-</u>	<u>(1,038)</u>	<u>-</u>	<u>916</u>
Other Financing Sources (Uses):					
Insurance Claim Proceeds for Flooding Damage	157,461				157,461
Transfers In	1,140				1,140
Transfers Out			(1,140)		(1,140)
Total Other Financing Sources (Uses)	<u>158,601</u>	<u>-</u>	<u>(1,140)</u>	<u>-</u>	<u>157,461</u>
Net Changes in Fund Balances	160,555	-	(2,178)	-	158,377
Fund Balances, July 1	<u>1,007,725</u>	<u>-</u>	<u>2,178</u>	<u>-</u>	<u>1,009,903</u>
Fund Balances, June 30	<u>\$ 1,168,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,168,280</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Changes in Fund Balances-Governmental Funds (from B-2)	\$ 158,377
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:	
Capital Outlays	\$ 41,164
Depreciation Expense	<u>(336,913)</u>
	(295,749)
In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	
	<u>(5,003)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (142,375)</u></u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 26,245
Receivables from Other Governments:	
State	222
Federal	1,550
Inventory	4,978
Total Current Assets	32,995
Noncurrent Assets:	
Capital Assets	37,176
Less: Accumulated Depreciation	(19,814)
Total Noncurrent Assets	17,362
Total Assets	50,357
LIABILITIES	
Current Liabilities:	
Deferred Revenues	3,150
Total Liabilities	3,150
NET POSITION	
Invested in Capital Assets, Net of Related Debt	17,362
Unrestricted	29,845
TOTAL NET POSITION	\$ 47,207

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 100,562
Daily Sales-Unreimbursable Programs	34,088
Total Operating Revenues	134,650
Operating Expenses:	
Salaries	61,891
Employee Benefits	14,053
Purchased Property Services	1,519
Insurance	1,162
Management Fee	7,983
Other Purchased Services	3,969
Supplies and Materials	5,677
Depreciation	1,607
Costs of Sales	75,276
Total Operating Expenses	173,137
Operating Income (Loss)	(38,487)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,928
Federal Sources:	
National School Lunch Program	26,873
Food Donation Program	13,870
Interest Income	117
Total Nonoperating Revenues (Expenses)	42,788
Change in Position	4,301
Net Position, Beginning	42,906
Net Position, Ending	\$ 47,207

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 134,656
Payments to Food Service Management Company	(155,301)
Payments to Vendors (Net)	(2,360)
Net Cash Provided by (Used For) Operating Activities	<u>(23,005)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,824
Federal Sources	26,867
General Fund Interfund Activity	125
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>28,816</u>
Cash Flows from Investing Activities:	
Interest Income	<u>117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,928
Cash and Cash Equivalents, July 1	<u>20,317</u>
Cash and Cash Equivalents, June 30	<u>\$ 26,245</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (38,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	1,607
Federal Food Donation Program	13,870
(Increase) Decrease in Inventory	(837)
Increase (Decrease) in Deferred Revenue	<u>842</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (23,005)</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 80,533	\$ 60,539	\$ 49,126
Accounts Receivable-Other			687
TOTAL ASSETS	<u>80,533</u>	<u>\$ 60,539</u>	<u>\$ 49,813</u>
LIABILITIES			
Accounts Payable	659	\$ 7,250	
Due to Other Funds			\$ 3,834
Due to Student Groups		53,289	
Payroll Deductions & Withholdings			45,979
TOTAL LIABILITIES	<u>659</u>	<u>\$ 60,539</u>	<u>\$ 49,813</u>
NET POSITION	<u>\$ 79,874</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 10,595
Investment Earnings-Interest	<u>267</u>
Total Additions	<u>10,862</u>
DEDUCTIONS	
Unemployment Claims	<u>2,804</u>
Total Deductions	<u>2,804</u>
Change in Net Position	8,058
Net Position, Beginning of the Year	<u>71,816</u>
Net Position, End of the Year	<u>\$ 79,874</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2013 of 627 students.

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

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

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

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

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

The District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if required, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2012-2013 and 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

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

J. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements & Portable Classroom	40
Land Improvements	20
Furniture	20
Musical Instruments	20
Athletic Equipment	15
Maintenance Equipment	10 to 15
Audio Visual Equipment	07 to 10
Office Equipment	05 to 10
Computer Equipment	05 to 10
Vehicles	05 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

N. Fund Balances-Governmental Funds

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

N. Fund Balances-Governmental Funds (cont'd)

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

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

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

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

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

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

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.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

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.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits at June 30, 2013 appear in the financial statements as summarized below:

Cash		<u>\$ 1,498,528</u>
	<u>Ref.</u>	
Unrestricted Cash:		
Governmental Funds, Statement of Net Position	B-1	\$ 957,275
Enterprise Fund, Statement of Net Position	B-4	26,245
Fiduciary Funds, Statement of Net Position	B-7	190,198
Restricted Cash:		
Governmental Activities, Statement of Net Position	B-1	324,810
Total Cash		<u>\$ 1,498,528</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Cont'd)

Deposits – The District's carrying amount of bank deposits at June 30, 2013 is \$1,498,528 and the bank balance is \$1,978,572. Of the bank balance, \$250,000 is covered by federal depository insurance and \$1,728,572 is insured by GUDPA.

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 are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

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 district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district 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 district may invest with any one issuer. As of June 30, 2013, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 347,800			\$ 347,800
Construction in Progress	739,997	\$ 36,391	\$ 741,035	35,353
Total	<u>1,087,797</u>	<u>36,391</u>	<u>741,035</u>	<u>383,153</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Building & Improvements	\$ 12,240,816	\$ 741,035		\$ 12,981,851
Vehicles	79,388			79,388
Furniture & Equipment	315,591	4,773		320,364
Total	<u>12,635,795</u>	<u>745,808</u>	<u>\$ -0-</u>	<u>13,381,603</u>
Accumulated Depreciation:				
Building & Improvements	6,220,878	315,283		6,536,161
Vehicles	73,891	2,199		76,090
Furniture & Equipment	224,600	19,431		244,031
Total	<u>6,519,369</u>	<u>336,913</u>	<u>-0-</u>	<u>6,856,282</u>
Total Capital Assets, Being Depreciated, Net	<u>6,116,426</u>	<u>408,895</u>	<u>-0-</u>	<u>6,525,321</u>
Transfers	<u>-0-</u>	<u>(741,035)</u>	<u>(741,035)</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,204,223</u>	<u>\$ (295,749)</u>	<u>\$ -0-</u>	<u>\$ 6,908,474</u>
Business-Type Activities:				
Furniture & Equipment	\$ 37,176			\$ 37,176
Less: Accum Depreciation	<u>18,207</u>	<u>\$ (1,607)</u>		<u>19,814</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,969</u>	<u>\$ (1,607)</u>	<u>\$ -0-</u>	<u>\$ 17,362</u>

Depreciation Expense Was Charged to Governmental Functions in the Current Year as Follows:

Instruction:	
Regular	\$ 154,476
Special Education	69,315
Other Special Instruction	8,670
Co-Curricular Activities	2,823
Support Services:	
Student & Instruction	55,272
General & Business Admin	31,476
School Administration	10,002
Plant & Maintenance	4,879
Total Depreciation Expense, Governmental Activities	<u>\$ 336,913</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2013 is as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences Payable	\$ 370,947	\$ 48,695	\$ 43,692	\$ 375,950	\$ 27,923
Total Governmental Activities Long-Term Liabilities	<u>\$ 370,947</u>	<u>\$ 48,695</u>	<u>\$ 43,692</u>	<u>\$ 375,950</u>	<u>\$ 27,923</u>

Compensated absences liabilities are paid in the current expenditures budget of the District's general fund.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2013 is \$22,231,980. General obligation debt at June 30, 2013 is \$-0-, resulting in a legal debt margin of \$22,231,980.

NOTE 6. PENSION PLANS

Description of Systems

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

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Description of Systems (cont'd)

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements

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 and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and 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. 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 TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/13	\$ 625,748	100%
06/30/12	452,235	100%
06/30/11	298,334	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/13	\$ 118,992	100%
06/30/12	123,210	100%
06/30/11	125,359	100%

During the year ended June 30, 2013, the State of New Jersey contributed \$332,073 to the TPAF for post-retirement medical benefits and \$14,679 for the non-contributory insurance premiums and \$278,996 for normal pension and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$331,879 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Ch 126 benefits for 16,618 eligible retired members.

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

Plan Description-The School District contributes to 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 NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/audit-rpts-2012/shbp-12.pdf

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 8. DEFERRED COMPENSATION

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

AXA Equitable
Vanguard Group
First Investors Corp
Lincoln Financial Group
Oppenheimer Fund Services
Financial Resources & Retirement Advisory Inc

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of Interfund balances as of June 30, 2013 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 19,891	
Special Revenue Fund		\$ 16,057
Payroll Agency Fund		3,834
	\$ 19,891	\$ 19,891

The balances due to the General Fund from the Special Revenue and Capital Projects Funds represent a loan from the General Fund of \$16,057 to the Special Revenue Fund due to cash flow issues relating to the delayed receipt of grant revenues. The amount due to the General Fund from the Payroll Agency Fund represents payroll balances made payable to the General Fund totaling \$2,059 and a loan to the Flexible Spending Account of \$1,775.

All of the interfund balances should be liquidated within one year except the loan to the Flexible Spending Account which will be liquidated when state aid funds are received.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2013 consisted of the following:

Food	\$ 4,356
Supplies	622
	\$ 4,978

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 11. CONTINGENT LIABILITIES

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

NOTE 12. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2012-2013	\$ -0-	\$ 267	\$ 10,595	\$ 2,804	\$ 79,874
2011-2012	10,000	514	10,276	27,445	71,816
2010-2011	45,000	-0-	9,829	73,781	78,471

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1,000 on October 17, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts, Pursuant to this state statute, the District deposited \$236,000 to their Capital Reserve account and \$15,000 to their Maintenance Reserve account by board resolution in June 2013.

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

The District withdrew \$393,122 from their Capital Reserve account for transfer to their Capital Outlay Fund representing the District's share of the local portion of a State approved school renovation project.

The following schedule is a summarization of the Capital Reserve Account for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals Net of Return	Ending Balance
Capital Reserve	\$ 431,262	\$ 236,000	\$ 1,530	\$ 391,982	\$ 276,810
Maintenance	<u>33,000</u>	<u>15,000</u>			<u>48,000</u>
Totals	<u>\$ 464,262</u>	<u>\$ 251,000</u>	<u>\$ 1,530</u>	<u>\$ 391,982</u>	<u>\$ 324,810</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. The following is an analysis of the General Fund Balance on the "budgetary basis" as of June 30, 2013 and 2012. The total differs from the Governmental Funds Balance Sheet, which is stated on the 2013 "GAAP" basis, by \$171,278.

	2013	2012
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage In accordance with state statute NJSA 18A: 7 F-7 the excess surplus is designated for utilization in succeeding years budgets	\$ 109,292	\$ 100,816
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount in excess of allowable percentage appropriated in the succeeding year's budget to reduce tax requirements	100,816	92,983
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	276,810	431,262
Maintenance Reserve Account-Represents funds restricted for required maintenance of school facilities	48,000	33,000
Assigned:		
Designated for Subsequent Year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements		366
Year End Encumbrance-Represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30,	380,243	98,874
Unassigned:		
Undesignated-represents fund balance which has not been restricted or designated	<u>424,397</u>	<u>412,344</u>
Total Fund Balance	<u>\$ 1,339,558</u>	<u>\$ 1,169,645</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$109,292.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 19, 2013, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections--2012--an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans--an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions--an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

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

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

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,298,760		\$ 8,298,760	\$ 8,298,760	
Tuition from Individuals				37,669	\$ 37,669
Tuition from Other LEA's				20,000	20,000
Interest on Capital Reserve Funds	500		500	1,530	1,030
Interest on Investments	3,000		3,000	6,143	3,143
Building Use Rent	6,000		6,000	7,200	1,200
Unrestricted Miscellaneous Revenues				5,612	5,612
Total	<u>8,308,260</u>	<u>\$ -</u>	<u>8,308,260</u>	<u>8,376,914</u>	<u>68,654</u>
State Sources:					
Categorical Special Education Aid	373,615		373,615	373,615	
Equalization Aid	1,292,878		1,292,878	1,292,878	
Categorical Security Aid	9,549		9,549	9,549	
Categorical Transportation Aid	51,787		51,787	51,787	
Extraordinary Aid				173,455	173,455
Nonpublic Transportation Aid				942	942
On-Behalf TPAF Pension Contribution				293,675	293,675
On-Behalf TPAF Post Retirement Medical Benefits				332,073	332,073
Reimbursed TPAF Social Security Contribution				331,879	331,879
Total	<u>1,727,829</u>	<u>-</u>	<u>1,727,829</u>	<u>2,859,853</u>	<u>1,132,024</u>
TOTAL REVENUES	<u>\$ 10,036,089</u>	<u>\$ -</u>	<u>\$ 10,036,089</u>	<u>\$ 11,236,767</u>	<u>\$ 1,200,678</u>
EXPENDITURES					
Current:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Preschool	\$ 25,028		\$ 25,028	\$ 25,028	
Kindergarten	221,076	\$ 47,702	268,778	268,573	\$ 205
Grades 1-5	1,468,620	(58,677)	1,409,943	1,401,566	8,377
Grades 6-8	1,047,207	(10,496)	1,036,711	1,033,860	2,851
Home Instruction:					
Salaries of Teachers		500	500	248	252
Undistributed Instruction:					
Purchased Professional-Educational Services	500	(287)	213	190	23
Purchased Technical Services	15,990	(3,555)	12,435	2,338	10,097
Other Purchased Services	28,241	5,631	33,872	33,871	1
General Supplies	149,582	143,611	293,193	241,696	51,497
Textbooks	60,932	9,748	70,680	69,645	1,035
Other Objects	1,000	350	1,350	1,350	
Total	<u>3,018,176</u>	<u>134,527</u>	<u>3,152,703</u>	<u>3,078,365</u>	<u>74,338</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	101,892	5,226	107,118	107,118	
Other Salaries for Instruction	85,974	(57,386)	28,588	27,876	712
General Supplies	3,000	(50)	2,950	2,439	511
Total	<u>190,866</u>	<u>(52,210)</u>	<u>138,656</u>	<u>137,433</u>	<u>1,223</u>
Multiple Disabilities:					
Salaries of Teachers	47,941	5,700	53,641	53,641	
Other Salaries for Instruction		59,932	59,932	59,332	600
Purchased Professional-Educational Services	35,000	(35,000)			
Other Objects		50	50	50	
Total	<u>82,941</u>	<u>30,682</u>	<u>113,623</u>	<u>113,023</u>	<u>600</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 611,965	\$ (26,594)	\$ 585,371	\$ 585,164	\$ 207
Other Salaries for Instruction	272,885	24,538	297,423	296,610	813
General Supplies	14,090	2,760	16,850	16,556	294
Other Objects	60		60		60
Total	899,000	704	899,704	898,330	1,374
Autism:					
Salaries of Teachers	61,041	375	61,416	59,694	1,722
Other Salaries for Instruction	65,648	(6,627)	59,021	58,961	60
Purchased Professional-Educational Services		26,025	26,025	24,167	1,858
Other Purchased Services		280	280	280	
General Supplies	1,367	1,708	3,075	1,761	1,314
Total	128,056	21,761	149,817	144,863	4,954
Preschool Disabilities Part-Time:					
Salaries of Teachers	30,828	(3,795)	27,033	27,032	1
Other Salaries for Instruction	59,616	(30,093)	29,523	29,522	1
Purchased Professional-Educational Services		30,191	30,191	30,190	1
General Supplies	2,025	(844)	1,181	1,180	1
Total	92,469	(4,541)	87,928	87,924	4
Total Special Education	1,393,332	(3,604)	1,389,728	1,381,573	8,155
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	119,867	33,759	153,626	153,501	125
General Supplies	5,464	4,043	9,507	6,259	3,248
Total	125,331	37,802	163,133	159,760	3,373
School Sponsored Co/Extra Curricular Activities:					
Salaries	26,466	5,079	31,545	30,964	581
Supplies & Materials	1,000	2,075	3,075	3,075	
Other Objects		995	995	910	85
Total	27,466	8,149	35,615	34,949	666
School Sponsored Athletics:					
Salaries	19,131	(2,005)	17,126	17,114	12
Purchased Services	6,080	(530)	5,550	5,550	
Supplies & Materials	2,290	(2,290)			
Other Objects	250	(250)			
Total	27,751	(5,075)	22,676	22,664	12
Total Instruction	\$ 4,592,056	\$ 171,799	\$ 4,763,855	\$ 4,677,311	\$ 86,544
Undistributed Expenditures:					
Instruction-Tuition:					
Private Schools for the Disabled Within the State	\$ 48,500	\$ 36,777	\$ 85,277	\$ 85,257	\$ 20
Attendance & Social Work:					
Salaries	79	-	79	-	79
Health Services:					
Salaries	106,968	(3,110)	103,858	103,077	781
Purchased Professional & Technical Services	4,500		4,500	4,290	210
Other Purchased Services	400	(315)	85		85
Supplies & Materials	2,469	315	2,784	1,554	1,230
Total	114,337	(3,110)	111,227	108,921	2,306

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Speech, OT, PT & Related Services:					
Salaries	\$ 146,362	\$ 2,300	\$ 148,662	\$ 148,021	\$ 641
Purchased Professional Educational Services	31,000	(1,000)	30,000	29,999	1
Supplies & Materials	8,353	1,386	9,739	8,681	1,058
Other Objects	400	(400)			
Total	186,115	2,286	188,401	186,701	1,700
Other Support Services-Students-Extraordinary:					
Purchased Professional Educational Services	35,000	85,522	120,522	53,954	66,568
Supplies & Materials		3,637	3,637	3,459	178
Total	35,000	89,159	124,159	57,413	66,746
Guidance:					
Salaries of Other Professional Staff	84,011		84,011	83,311	700
Supplies and Materials	1,200	1,095	2,295	1,943	352
Total	85,211	1,095	86,306	85,254	1,052
Child Study Teams:					
Salaries of Other Professional Staff	304,960	(15,628)	289,332	277,183	
Salaries of Secretarial & Clerical Assistants	39,451	1,948	41,399	41,399	
Purchased Professional Educational Services	6,750	10,139	16,889	15,844	1,045
Miscellaneous Purchased Services	6,300	(1,843)	4,457	4,451	
Supplies & Materials	4,817	1,145	5,962	5,912	50
Other Objects	1,125	(795)	330	200	130
Total	363,403	(5,034)	358,369	344,989	1,225
Improvement of Instructional Services:					
Salaries of Other Professional Staff	5,000	(2,845)	2,155	2,154	1
Other Purchased Professional & Technical Services	21,400	(5,942)	15,458	15,458	
Other Purchased Services		695	695	695	
Supplies & Materials	823	(320)	503	349	154
Total	27,223	(8,412)	18,811	18,656	155
Educational Media Services/School Library:					
Salaries	90,427	1,766	92,193	92,193	
Salaries of Technology Coordinators	55,937	67	56,004	56,004	
Other Purchased Services	2,200	5,916	8,116	2,503	5,613
Supplies & Materials	10,832	(45)	10,787	10,686	101
Total	159,396	7,704	167,100	161,386	5,714
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	11,500	(124)	11,376	11,376	
Salaries of Other Professional Staff		2,320	2,320	2,320	
Purchased Professional Educational Services		2,047	2,047	2,047	
Other Purchased Services	5,061	4,743	9,804	9,804	
Supplies & Materials		1,869	1,869	1,869	
Total	16,561	10,855	27,416	27,416	-

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services General Administration:					
Salaries	\$ 217,797	\$ (1,339)	\$ 216,458	\$ 216,453	\$ 5
Legal Services	10,000	28,031	38,031	37,990	41
Audit Fees	17,000	(200)	16,800	16,800	
Architectural/Engineering Services	5,000	13,194	18,194	16,857	1,337
Other Purchased Professional Services	4,500	(140)	4,360	4,360	
Purchased Technical Services	4,290	(300)	3,990	3,990	
Communications & Telephone	40,400	(6,184)	34,216	34,215	1
Board of Education Other Purchased Services	5,500	(4,104)	1,396	1,361	35
Miscellaneous Purchased Services	25,500	2,694	28,194	28,194	
General Supplies	2,250	(348)	1,902	1,901	1
Miscellaneous Expenditures	3,500	(549)	2,951	2,951	
Board of Education Membership Dues & Fees	5,800	(179)	5,621	5,620	1
Total	<u>341,537</u>	<u>30,576</u>	<u>372,113</u>	<u>370,692</u>	<u>1,421</u>
Support Services School Administration:					
Salaries of Principals/Asst Principals/Prg Directors	109,892	322	110,214	110,214	
Salaries of Other Professional Staff	77,585	(77,585)			
Salaries of Secretarial & Clerical Assistants		71,706	71,706	71,356	
Other Purchased Services	3,000	3,930	6,930	6,659	271
Supplies & Materials	6,744	1,823	8,567	8,566	1
Other Objects	1,500	(276)	1,224	1,164	60
Total	<u>198,721</u>	<u>(80)</u>	<u>198,641</u>	<u>197,959</u>	<u>332</u>
Central Services:					
Salaries	209,943	1,025	210,968	210,929	39
Purchased Technical Services	16,665	(2,565)	14,100	13,829	271
Miscellaneous Purchased Services	5,060	(273)	4,787	4,505	282
Supplies & Materials	2,250	6,200	8,450	8,269	181
Miscellaneous Expenditures	2,200	100	2,300	1,895	405
Total	<u>236,118</u>	<u>4,487</u>	<u>240,605</u>	<u>239,427</u>	<u>1,178</u>
Administrative Information Technology:					
Salaries	30,232	48	30,280	30,279	1
Other Purchased Services		1,865	1,865	1,865	
Total	<u>30,232</u>	<u>1,913</u>	<u>32,145</u>	<u>32,144</u>	<u>1</u>
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	60,744	61,610	122,354	112,335	10,019
Supplies & Materials	10,000	7,503	17,503	17,502	1
Total	<u>70,744</u>	<u>69,113</u>	<u>139,857</u>	<u>129,837</u>	<u>10,020</u>
Custodial Services:					
Salaries	368,591	7,748	376,339	370,515	5,824
Cleaning, Repair, & Maintenance Services	22,600	(7,835)	14,765	14,643	122
Other Purchased Property Services	27,500	968	28,468	28,205	263
Insurance	40,900	(627)	40,273	39,059	1,214
Miscellaneous Purchased Services	500		500	22	478
General Supplies	17,680	15,872	33,552	33,363	189
Energy (Natural Gas)	110,000	(51,874)	58,126	55,100	3,026
Energy (Electricity)	157,366	(46,248)	111,118	99,044	12,074
Other Objects	700		700	666	34
Total	<u>745,837</u>	<u>(81,996)</u>	<u>663,841</u>	<u>640,617</u>	<u>23,224</u>
Care & Upkeep of Grounds:					
Cleaning, Repair, & Maintenance Services	7,750	(730)	7,020	6,982	38
General Supplies	3,842	6,901	10,743	8,296	2,447
Total	<u>11,592</u>	<u>6,171</u>	<u>17,763</u>	<u>15,278</u>	<u>2,485</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Security:					
Cleaning, Repair, & Maintenance Services	\$ 9,500	\$ (3,038)	\$ 6,462	\$ 6,462	
General Supplies	3,159	538	3,697	3,649	\$ 48
Total	<u>12,659</u>	<u>(2,500)</u>	<u>10,159</u>	<u>10,111</u>	<u>48</u>
Student Transportation Services:					
Contracted Services (Other than Between Home & School)-Vendors	1,500		1,500		1,500
Contracted Services (Between Home & School)-Joint Agreements	305,800	(13,426)	292,374	288,986	3,388
Contracted Services (Special Education Students)-Joint Agreements	121,000	(27,627)	93,373	93,373	
Total	<u>428,300</u>	<u>(41,053)</u>	<u>387,247</u>	<u>382,359</u>	<u>4,888</u>
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	164,000	(30,492)	133,508	131,880	1,628
Other Retirement Contributions-PERS	143,750	(24,758)	118,992	118,992	
Other Retirement Contributions-Regular		2,360	2,360	2,360	
Unemployment Compensation	15,000	(15,000)			
Workmen's Compensation	77,800	(10,003)	67,797	67,797	
Health Benefits	2,034,872	(85,889)	1,948,983	1,903,081	45,902
Tuition Reimbursement	50,000	(38,000)	12,000	10,945	1,055
Other Employee Benefits	23,720	25,412	49,132	48,409	723
Total	<u>2,509,142</u>	<u>(176,370)</u>	<u>2,332,772</u>	<u>2,283,464</u>	<u>49,308</u>
On-Behalf TPAF Pension Contribution				293,675	(293,675)
On-Behalf TPAF Post Retirement Medical Benefits				332,073	(332,073)
Reimbursed TPAF Social Security Contribution				331,879	(331,879)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>957,627</u>	<u>(957,627)</u>
Total Undistributed Expenditures	<u>\$ 5,620,707</u>	<u>\$ (58,419)</u>	<u>\$ 5,562,288</u>	<u>\$ 6,335,508</u>	<u>\$ (785,725)</u>
TOTAL CURRENT	<u>\$ 10,212,763</u>	<u>\$ 113,380</u>	<u>\$ 10,326,143</u>	<u>\$ 11,012,819</u>	<u>\$ (699,181)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction		\$ 25,108	\$ 25,108		\$ 25,108
Required Maintenance for School Facilities		4,773	4,773	\$ 4,773	
Total	<u>\$ -</u>	<u>\$ 29,881</u>	<u>\$ 29,881</u>	<u>\$ 4,773</u>	<u>\$ 25,108</u>
Facilities Acquisition and Construction Services:					
Legal Services		2,500	2,500		2,500
Architectural/Engineering Services		79,560	79,560	33,538	46,022
Other Purchased Professional and Technical Services		887	887	887	
Construction Services		320,623	320,623		320,623
Other Objects		8,635	8,635	928	7,707
Assessment for Debt Service on SDA Funding	15,049		15,049	15,049	
Total	<u>15,049</u>	<u>412,205</u>	<u>427,254</u>	<u>50,402</u>	<u>376,852</u>
TOTAL CAPITAL OUTLAY	<u>\$ 15,049</u>	<u>\$ 442,086</u>	<u>\$ 457,135</u>	<u>\$ 55,175</u>	<u>\$ 401,960</u>
TOTAL EXPENDITURES	<u>\$ 10,227,812</u>	<u>\$ 555,466</u>	<u>\$ 10,783,278</u>	<u>\$ 11,067,994</u>	<u>\$ (297,221)</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (191,723)	\$ (555,466)	\$ (747,189)	\$ 168,773	\$ 903,457
Other Financing Sources (Uses):					
Transfers In-Capital Projects Fund		1,140	1,140	1,140	
Total Other Financing Sources (Uses)	-	1,140	1,140	1,140	-
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(191,723)	(554,326)	(746,049)	169,913	915,962
Fund Balances, July 1	1,169,645	-	1,169,645	1,169,645	-
Fund Balances, June 30	\$ 977,922	\$ (554,326)	\$ 423,596	\$ 1,339,558	\$ 915,962
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Adjustment for Prior Year Encumbrances	\$ (98,874)		\$ (98,874)	\$ (98,874)	
Increase in Capital Reserve	500	\$ 237,140	237,640	238,670	\$ 1,030
Increase in Maintenance Reserve		15,000	15,000	15,000	
Withdrawal from Capital Reserve		(393,122)	(393,122)	(393,122)	
Budgeted Fund Balance	(93,349)	(413,344)	(506,693)	408,239	914,932
TOTAL	\$ (191,723)	\$ (554,326)	\$ (746,049)	\$ 169,913	\$ 915,962
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Excess Surplus:					
Prior Year-Designated for 2013-2014 Budget				\$ 100,816	
Current Year-Designated for 2014-2015 Budget				109,292	
Committed Fund Balance:					
Capital Reserve				276,810	
Maintenance Reserve				48,000	
Assigned Fund Balance:					
Year-End Encumbrances				380,243	
Unassigned Fund Balance				424,397	
				1,339,558	
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(171,278)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,168,280	

HOLLAND TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(NOT APPLICABLE TO THIS REPORT)

HOLLAND TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 21,085		\$ 21,085	\$ 21,085	
State Sources	1,972		1,972		\$ 1,972
Federal Sources	173,302		173,302	173,302	
TOTAL REVENUES	<u>\$ 196,359</u>	<u>\$ -</u>	<u>\$ 196,359</u>	<u>\$ 194,387</u>	<u>\$ 1,972</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 17,744		\$ 17,744	\$ 17,744	
Other Purchased Services	50,000		50,000	50,000	
General Supplies	20,485		20,485	20,485	
Totals	<u>88,229</u>	<u>\$ -</u>	<u>88,229</u>	<u>88,229</u>	<u>\$ -</u>
Support Services:					
Employee Benefits	1,312		1,312	1,312	
Purchased Professional & Technical Services	106,818		106,818	104,846	1,972
Total	<u>108,130</u>	<u>-</u>	<u>108,130</u>	<u>106,158</u>	<u>1,972</u>
TOTAL EXPENDITURES	<u>\$ 196,359</u>	<u>\$ -</u>	<u>\$ 196,359</u>	<u>\$ 194,387</u>	<u>\$ 1,972</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary budgetary comparison schedules	\$ 11,236,767	\$ 194,387
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		1,972
Outstanding Encumbrances-Current Year		(4,860)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	161,920	
State Aid Receivable-Current Year	<u>(171,278)</u>	
Total Revenues (GAAP Basis)	<u>\$ 11,227,409</u>	<u>\$ 191,499</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,067,994	\$ 194,387
Differences-Budget to GAAP:		
Insurance claim recovery for flooding damage costs incurred is treated as "Other Financing Sources" and increases expenditures for GAAP purposes		
	157,461	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances-Prior Year		1,972
Outstanding Encumbrances-Current Year		<u>(4,860)</u>
Total Expenditures (GAAP Basis)	<u>\$ 11,225,455</u>	<u>\$ 191,499</u>

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Various Local Grants	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Preschool	Total
REVENUES						
Local Sources	\$ 21,085					\$ 21,085
Federal Sources		\$ 18,456	\$ 8,120	\$ 141,298	\$ 5,428	173,302
TOTAL REVENUES	<u>\$ 21,085</u>	<u>\$ 18,456</u>	<u>\$ 8,120</u>	<u>\$ 141,298</u>	<u>\$ 5,428</u>	<u>\$ 194,387</u>
EXPENDITURES						
Instruction:						
Salaries	\$ 600	\$ 17,144				\$ 17,744
Other Purchased Services				\$ 50,000		50,000
General Supplies	20,485					20,485
Total	<u>21,085</u>	<u>17,144</u>	<u>\$ -</u>	<u>50,000</u>	<u>\$ -</u>	<u>88,229</u>
Support Services:						
Personal Services-						
Employee Benefits		1,312				1,312
Purchased Professional & Technical Services			8,120	91,298	5,428	104,846
Total	<u>-</u>	<u>1,312</u>	<u>8,120</u>	<u>91,298</u>	<u>5,428</u>	<u>106,158</u>
TOTAL EXPENDITURES	<u>\$ 21,085</u>	<u>\$ 18,456</u>	<u>\$ 8,120</u>	<u>\$ 141,298</u>	<u>\$ 5,428</u>	<u>\$ 194,387</u>

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/13
			Prior Years	Current Year	
Masonry, Slate Roofing and Security System Upgrades	01/31/11	\$ 716,348	\$ 714,170	\$ 2,178	\$ -
		<u>\$ 716,348</u>	<u>\$ 714,170</u>	<u>\$ 2,178</u>	<u>\$ -</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Expenditures:	
Architectural/Engineering Services	<u>\$ 1,038</u>
Other Financing Sources (Uses):	
Transfer to Capital Reserve	<u>(1,140)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,178)
Net Position-Beginning	<u>2,178</u>
Net Position-Ending	<u><u>\$ -</u></u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
MASONRY, SLATE ROOFING, AND SECURITY SYSTEM UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfers In from Capital Reserve	\$ 446,028		\$ 446,028	\$ 446,028
State Sources-NJ SDA ROD Grants	270,320		270,320	270,320
Total Revenues	<u>716,348</u>	<u>\$ -</u>	<u>716,348</u>	<u>716,348</u>
Expenditures and Other Financing Uses:				
Legal Services	3,083		3,083	3,083
Architectural/Engineering Services	91,598	1,038	92,636	92,636
Other Purchased Professional Services	1,266		1,266	1,266
Construction Services	616,757		616,757	616,757
Other Objects	1,466		1,466	1,466
Transfer Out to Capital Reserve		1,140	1,140	1,140
Total Expenditures	<u>714,170</u>	<u>2,178</u>	<u>716,348</u>	<u>716,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,178</u>	<u>\$ (2,178)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project Number	2220-060-10-1004
Grant Date	01/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 675,800
Additional Authorized Cost	\$ 40,548
Revised Authorized Cost	\$ 716,348
Percentage Completion	100%

PROPRIETARY FUND

DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2013

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 26,245
Receivables from Other Governments:	
State	222
Federal	1,550
Inventory	4,978
Total Current Assets	<u>32,995</u>
Noncurrent Assets:	
Capital Assets	37,176
Less: Accumulated Depreciation	<u>(19,814)</u>
Total Noncurrent Assets	<u>17,362</u>
Total Assets	<u>50,357</u>
LIABILITIES	
Current Liabilities:	
Deferred Revenues	<u>3,150</u>
Total Liabilities	<u>3,150</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	17,362
Unrestricted	<u>29,845</u>
TOTAL NET POSITION	<u><u>\$ 47,207</u></u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 100,562
Daily Sales-Unreimbursable Programs	34,088
Total Operating Revenues	<u>134,650</u>
Operating Expenses:	
Salaries	61,891
Employee Benefits	14,053
Purchased Property Services	1,519
Insurance	1,162
Management Fee	7,983
Other Purchased Services	3,969
Supplies and Materials	5,677
Depreciation	1,607
Costs of Sales	75,276
Total Operating Expenses	<u>173,137</u>
Operating Income (Loss)	(38,487)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,928
Federal Sources:	
National School Lunch Program	26,873
Food Donation Program	13,870
Interest Income	117
Total Nonoperating Revenues (Expenses)	<u>42,788</u>
Change in Position	4,301
Net Position, Beginning	<u>42,906</u>
Net Position, Ending	<u>\$ 47,207</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 134,656
Payments to Food Service Management Company	(155,301)
Payments to Vendors (Net)	(2,360)
Net Cash Provided by (Used For) Operating Activities	<u>(23,005)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,824
Federal Sources	26,867
General Fund Interfund Activity	125
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>28,816</u>
Cash Flows from Investing Activities:	
Interest Income	<u>117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,928
Cash and Cash Equivalents, July 1	<u>20,317</u>
Cash and Cash Equivalents, June 30	<u>\$ 26,245</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (38,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	1,607
Federal Food Donation Program	13,870
(Increase) Decrease in Inventory	(837)
Increase (Decrease) in Deferred Revenue	<u>842</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (23,005)</u>

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2013

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 80,533	\$ 60,539	\$ 49,126	\$ 190,198
Accounts Receivable			687	687
Total Assets	<u>80,533</u>	<u>60,539</u>	<u>49,813</u>	<u>190,885</u>
LIABILITIES				
Due to Other Funds			3,834	3,834
Accounts Payable	659	7,250		7,909
Due to Student Groups		53,289		53,289
Payroll Deductions & Withholdings			45,979	45,979
Total Liabilities	<u>659</u>	<u>60,539</u>	<u>49,813</u>	<u>111,011</u>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 79,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,874</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 10,595
Investment Earnings-Interest	267
Total Additions	10,862
DEDUCTIONS	
Unemployment Claims	2,804
Total Deductions	2,804
Change in Net Position	8,058
Net Position, Beginning of the Year	71,816
Net Position, End of the Year	\$ 79,874

HOLLAND TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	<u>Balance 07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/13</u>
School Activities:				
Holland Twp School	\$ 40,276	\$ 135,334	\$ 122,321	\$ 53,289

HOLLAND TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

	<u>Balance 07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/13</u>
ASSETS				
Cash & Cash Equivalents	\$ 47,229	\$ 6,856,420	\$ 6,854,523	\$ 49,126
Accounts Receivable		687		687
TOTAL ASSETS	<u>\$ 47,229</u>	<u>\$ 6,857,107</u>	<u>\$ 6,854,523</u>	<u>\$ 49,813</u>
LIABILITIES				
Due to Other Funds	\$ 1,698	\$ 2,702	\$ 566	\$ 3,834
Payroll Deductions & Withholdings	43,031	2,588,099	2,587,651	43,479
Net Payroll	2,500	4,266,306	4,266,306	2,500
TOTAL LIABILITIES	<u>\$ 47,229</u>	<u>\$ 6,857,107</u>	<u>\$ 6,854,523</u>	<u>\$ 49,813</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

(NOT APPLICABLE TO THIS REPORT)

STATISTICAL SECTION

HOLLAND TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 5,631,154	\$ 6,562,223	\$ 6,776,679	\$ 6,646,566	\$ 6,637,832	\$ 6,668,897	\$ 6,577,926	\$ 6,623,346	\$ 7,204,223	\$ 6,908,474
Restricted	991,849	225,954	109,626	122,467	321,886	480,857	460,293	551,704	466,440	324,810
Unrestricted	(217,512)	(143,114)	111,977	390,013	124,336	190,840	184,477	388,857	172,516	467,520
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	\$ 6,405,491	\$ 6,645,063	\$ 6,998,282	\$ 7,159,046	\$ 7,084,054	\$ 7,340,594	\$ 7,222,696	\$ 7,563,907	\$ 7,843,179	\$ 7,700,804
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 6,335	\$ 5,871	\$ 5,408	\$ 4,945	\$ 4,481	\$ 4,018	\$ 3,554	\$ 5,308	\$ 18,969	\$ 17,362
Unrestricted	22,862	16,276	28,430	32,968	27,008	32,297	39,372	37,632	23,937	29,726
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,197	\$ 22,147	\$ 33,838	\$ 37,913	\$ 31,489	\$ 36,315	\$ 42,926	\$ 42,940	\$ 42,906	\$ 47,088
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 5,637,489	\$ 6,568,094	\$ 6,782,087	\$ 6,651,511	\$ 6,642,313	\$ 6,672,915	\$ 6,581,480	\$ 6,628,654	\$ 7,223,192	\$ 6,925,836
Restricted	991,849	225,954	109,626	122,467	321,886	480,857	460,293	551,704	466,440	324,810
Unrestricted	(194,650)	(126,838)	140,407	422,981	151,344	223,137	223,849	426,489	196,453	497,246
TOTAL DISTRICT-WIDE	\$ 6,434,688	\$ 6,667,210	\$ 7,032,120	\$ 7,196,959	\$ 7,115,543	\$ 7,376,909	\$ 7,265,622	\$ 7,606,847	\$ 7,886,085	\$ 7,747,892

HOLLAND TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 3,429,585	\$ 3,776,806	\$ 3,868,108	\$ 4,311,518	\$ 4,430,633	\$ 3,950,126	\$ 4,361,652	\$ 4,385,835	\$ 4,733,165	\$ 4,718,854
Special Education	1,134,795	1,115,688	1,259,689	1,437,957	1,624,915	1,951,953	2,030,429	1,831,701	2,014,249	2,153,821
Other Special Education	217,662	163,314	227,617	324,019	315,870	229,945	346,678	264,336	229,171	278,219
Other Instruction	47,667	87,279	81,018	91,666	97,933	138,951	103,063	91,960	87,009	91,313
Support Services:										
Tuition	131,470	162,449	151,478	86,122	123,450	37,827		63,395	118,211	135,257
Student & Instruction Related Services	859,875	1,163,634	1,370,600	1,468,440	1,567,244	1,482,014	1,589,353	1,452,283	1,550,042	1,594,527
General & Business Administrative Services	353,854	641,834	654,774	764,692	858,372	764,407	865,538	884,924	839,603	908,390
School Administration	482,144	406,259	254,100	276,929	296,051	322,063	311,459	286,200	319,695	302,974
Plant Operations & Maintenance	722,661	690,392	814,703	918,996	1,087,747	1,109,460	1,063,528	925,793	1,009,554	1,159,462
Pupil Transportation	320,508	401,275	485,012	387,492	384,633	380,376	386,731	358,579	352,494	382,359
Special Schools						2,242	5,151	1,672		
Interest on Long-Term Debt	97,778	95,251	88,041	73,951	60,233	44,975	32,081	39,672	20,493	15,049
Total Governmental Activities Expenses	7,797,999	8,704,181	9,255,140	10,141,782	10,847,081	10,414,339	11,095,663	10,586,350	11,273,686	11,740,225
Business-Type Activities:										
Food Service	170,431	184,311	197,823	176,023	203,664	181,390	185,522	191,619	200,892	173,137
Total Business-Type Activities	170,431	184,311	197,823	176,023	203,664	181,390	185,522	191,619	200,892	173,137
TOTAL DISTRICT EXPENSES	\$ 7,968,430	\$ 8,888,492	\$ 9,452,963	\$ 10,317,805	\$ 11,050,745	\$ 10,595,729	\$ 11,281,185	\$ 10,777,969	\$ 11,474,578	\$ 11,913,362

HOLLAND TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 14,200	\$ 14,475	\$ 22,575	\$ 23,263	\$ 31,933	\$ 21,162	\$ 28,922	\$ 38,353	\$ 42,535	\$ 37,883
Special Education Instruction						4,222		19,056	20,060	20,480
Other Instruction								6,426	1,134	6,804
Student & Instruction Related Services		6,690	5,810	6,876	170				198	195
General & Business Administrative Services		7,725	8,595	12,123	17,470	14,057	30,757	29,902	16	15
Plant Operations & Maintenance		5,339	12,689	13,313	12,014	12,278	13,280	16,599	15,419	20,973
Pupil Transportation	405	9,351	16,875	3,555						
Operating Grants & Contributions	1,442,112	183,439	183,083	194,036	178,148	180,961	299,913	193,415	182,818	191,499
Capital Grants & Contributions		53,216	(16,885)	(10)				29,623	240,697	
Total Governmental Activities Program Revenues	1,456,717	280,235	232,742	253,156	239,735	232,680	372,872	333,374	502,877	277,849
Business-Type Activities:										
Charges for Services:										
Food Service	149,838	148,688	174,698	149,991	152,389	148,557	150,315	149,513	152,994	134,650
Operating Grants & Contributions	26,921	31,406	33,557	29,305	34,274	37,581	39,454	42,120	47,596	42,788
Total Business-Type Activities Program Revenues	176,759	180,094	208,255	179,296	186,663	186,138	189,769	191,633	200,590	177,438
TOTAL DISTRICT-PROGRAM REVENUES	\$ 1,633,476	\$ 460,329	\$ 440,997	\$ 432,452	\$ 426,398	\$ 418,818	\$ 562,641	\$ 525,007	\$ 703,467	\$ 455,287
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (6,341,282)	\$ (8,423,946)	\$ (9,022,398)	\$ (9,888,626)	\$ (10,607,346)	\$ (10,181,659)	\$ (10,722,791)	\$ (10,252,976)	\$ (10,770,809)	\$ (11,462,376)
Business-Type Activities	6,328	(4,217)	10,432	3,273	(17,001)	4,748	4,247	14	(302)	4,301
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (6,334,954)	\$ (8,428,163)	\$ (9,011,966)	\$ (9,885,353)	\$ (10,624,347)	\$ (10,176,911)	\$ (10,718,544)	\$ (10,252,962)	\$ (10,771,111)	\$ (11,458,075)

HOLLAND TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,186,772	\$ 5,975,907	\$ 6,473,906	\$ 6,990,227	\$ 7,313,843	\$ 7,474,751	\$ 7,833,653	\$ 8,051,999	\$ 8,136,039	\$ 8,298,760
Taxes Levied for Debt Service	268,755	331,771	344,008	332,745	271,483	260,220	243,416	287,694	280,433	
Unrestricted Grants & Contributions	1,080,694	2,334,303	2,435,806	2,737,480	2,889,968	2,665,222	2,638,857	2,296,151	2,626,291	2,850,495
Investment Earnings	15,695	28,934	63,595	84,795	64,011	15,192	7,499	1,394	15,035	7,673
Miscellaneous Income	26,704	20,494	51,991	1,943	3,152	22,814	4,405	2,771	4,191	5,612
Operating Transfers Out					(10,103)		(122,229)	(45,000)	(10,000)	
Special Item-Insurance Proceeds for Flood Damage										157,461
Special Item-Prior Year Accounts Receivable Canceled									(704)	
Special Item-Loss on Disposal of Capital Assets			(1,331)	(97,800)			(708)	(822)	(1,204)	
Total Governmental Activities	6,578,620	8,691,409	9,367,975	10,049,390	10,532,354	10,438,199	10,604,893	10,594,187	11,050,081	11,320,001
Business-Type Activities:										
Investment Earnings	238	460	980	802	474	78	135		268	
Miscellaneous Income			279							
Operating Transfers In					10,103		2,229			
Total Business-Type Activities	238	460	1,259	802	10,577	78	2,364	-	268	-
TOTAL DISTRICT-WIDE	\$ 6,578,858	\$ 8,691,869	\$ 9,369,234	\$ 10,050,192	\$ 10,542,931	\$ 10,438,277	\$ 10,607,257	\$ 10,594,187	\$ 11,050,349	\$ 11,320,001
CHANGE IN NET POSITION										
Governmental Activities	\$ 237,338	\$ 267,463	\$ 345,577	\$ 160,764	\$ (74,992)	\$ 256,540	\$ (117,898)	\$ 341,211	\$ 279,272	\$ (142,375)
Business-Type Activities	6,566	(3,757)	11,691	4,075	(6,424)	4,826	6,611	14	(34)	4,301
TOTAL DISTRICT	\$ 243,904	\$ 263,706	\$ 357,268	\$ 164,839	\$ (81,416)	\$ 261,366	\$ (111,287)	\$ 341,225	\$ 279,238	\$ (138,074)

HOLLAND TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Restricted	\$ 70,831	\$ 89,603	\$ 159,936	\$ 232,463	\$ 222,241	\$ 208,335	\$ 125,165	\$ 107,704	\$ 193,799	\$ 210,108
Committed	104,309	2,930	3,017	3,178	249,666	458,637	460,292	190,658	464,262	324,810
Assigned	52,529	92,789	239,901	356,371	68,792	123,952	84,879	330,771	99,240	380,243
Unassigned	181,977	129,399	129,564	201,455	214,888	200,175	380,976	294,856	250,424	253,119
Total General Fund	\$ 409,646	\$ 314,721	\$ 532,418	\$ 793,467	\$ 755,587	\$ 991,099	\$ 1,051,312	\$ 923,989	\$ 1,007,725	\$ 1,168,280
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 770,770	\$ 326,472	\$ 199,928	\$ 132,609	\$ 55,542	\$ 55,542		\$ 361,046	\$ 2,178	
Assigned, Reported In:										
Debt Service Fund	23,500			50,000	50,001	1	\$ 1			
Total All Other Governmental Funds	\$ 794,270	\$ 326,472	\$ 199,928	\$ 182,609	\$ 105,543	\$ 55,543	\$ 1	\$ 361,046	\$ 2,178	\$ -

HOLLAND TOWNSHIP SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax Levy	\$ 5,553,305	\$ 6,307,678	\$ 6,817,914	\$ 7,322,972	\$ 7,585,326	\$ 7,734,971	\$ 8,077,069	\$ 8,339,693	\$ 8,416,472	\$ 8,298,760
Tuition Charges	14,200	14,190	22,575	23,263	31,826	25,344	28,922	54,712	62,013	57,669
Transportation	405									
Interest Earnings	15,695	28,934	63,595	84,795	64,011	15,192	7,499	1,394	15,035	7,673
Miscellaneous	26,705	20,494	57,991	8,943	13,031	42,617	13,381	10,115	21,500	29,037
State Sources	2,277,401	2,338,075	2,439,630	2,737,849	2,890,002	2,665,222	2,404,167	2,298,989	2,561,995	2,852,467
State Sources-Capital Projects		53,216	(16,885)	(10)				29,623	240,697	
Federal Sources	147,627	179,667	179,259	192,667	174,235	167,158	531,627	190,113	237,027	173,302
Total Revenues	8,035,338	8,942,254	9,564,079	10,370,479	10,758,431	10,650,504	11,062,665	10,924,639	11,554,739	11,418,908
Expenditures:										
Instruction:										
Regular Instruction	2,363,417	2,661,732	2,685,817	2,907,946	3,001,200	2,878,136	2,923,940	2,890,933	3,124,326	3,078,365
Special Education Instruction	709,061	777,987	867,829	941,968	1,070,481	1,278,962	1,169,898	1,120,468	1,244,876	1,381,573
Other Special Instruction	131,082	109,535	149,839	194,716	195,391	155,851	219,842	162,444	132,368	159,760
School Sponsored/Other Instructional	47,667	65,432	58,784	64,948	68,672	80,669	68,694	55,895	56,854	57,613
Support Services:										
Tuition	131,469	36,098	20,950	8,623	56,658	612		63,395	118,211	85,257
Student & Inst Related Services	635,873	841,870	952,962	896,274	979,365	967,719	1,027,427	891,046	983,691	990,736
General Administration	163,625	221,745	284,775	306,371	365,744	295,090	358,043	341,168	322,374	370,692
School Administration Services	349,386	298,562	174,718	181,419	197,293	207,693	206,764	184,463	210,446	197,959
Central Services	133,363	176,288	158,814	193,350	202,157	210,494	206,436	225,023	227,439	239,427
Administrative Information Technology		67,944	31,750	27,931	37,339	25,904	26,802	28,407	29,893	32,144
Plant Operations & Maintenance	679,893	661,188	742,257	823,122	984,307	881,141	867,217	722,341	764,648	953,304
Pupil Transportation	333,509	382,400	453,309	371,837	384,633	380,376	386,731	358,579	352,494	382,359
Employee Benefits	1,188,551	1,332,180	1,517,223	1,663,170	1,748,435	1,947,121	2,203,638	2,360,232	2,344,020	2,283,464
On-Behalf TPAF Pension & Social Security Contribution	516,034	574,319	678,096	996,771	1,035,974	617,878	654,806	625,989	788,462	957,627
Capital Outlay	16,650	57,164	54,328	4,213	35,995	43,923	11,505	39,840	4,736	40,126
Special Schools						2,242	5,151	1,672		
Special Revenue Funds	151,627	183,439	183,083	194,036	178,148	180,961	299,913	193,415	182,818	191,499
Capital Projects Fund	247,449	701,824	114,384	17,309				74,057	640,113	1,038
Debt Service:										
Principal	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	269,000	
Interest & Other Charges	101,533	90,270	79,008	67,745	56,482	45,220	33,958	41,550	22,398	15,049
Total Expenditures	8,165,189	9,504,977	9,472,926	10,126,749	10,863,274	10,464,992	10,935,765	10,645,917	11,819,167	11,417,992
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(129,851)	(562,723)	91,153	243,730	(104,843)	185,512	126,900	278,722	(264,428)	916
Other Financing Sources (Uses):										
Bond Issue Proceeds										
Capital Leases										
Prior Year Accounts Receivable Canceled									(704)	
Insurance Claim Proceeds for Flooding Damage										157,461
Transfers In (Out)					(10,103)		(122,229)	(45,000)	(10,000)	
Total Other Financing Sources (Uses)	-	-	-	-	(10,103)	-	(122,229)	(45,000)	(10,704)	157,461
Net Change in Fund Balances	\$ (129,851)	\$ (562,723)	\$ 91,153	\$ 243,730	\$ (114,946)	\$ 185,512	\$ 4,671	\$ 233,722	\$ (275,132)	\$ 158,377
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.23%	3.84%	3.40%	3.06%	3.07%	2.81%	3.00%	2.68%	0.13%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects fund and debt service.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Interest on Investments	\$ 15,695	\$ 28,934	\$ 63,595	\$ 84,795	\$ 64,011	\$ 15,192	\$ 7,499	\$ 1,394	\$ 15,035	\$ 7,673
Tuition	14,200	14,190	22,575	23,263	31,826	25,344	28,922	54,712	62,013	57,669
Canceled:										
Prior Year Accounts Payable						1,058	43		271	4,250
Old Outstanding Checks			125							
Account Balances					3,152		1,440	2,736	3,552	424
Donations						21,621	2,155			
Prior Year Refunds	520	8,206	61	1,943		135	767	35	301	178
Insurance Dividends	8,819	6,247								
Miscellaneous	1,547								89	
Building Use Rental Income	6,050	6,000	6,000	6,000	6,000	6,000	6,000	6,000	7,200	7,200
Transportation	405									
Prior Year Tuition	9,769									
Bid Specification Fees								880		760
Special Education Medicaid Initiative		41	17							
	<u>\$ 57,005</u>	<u>\$ 63,618</u>	<u>\$ 92,373</u>	<u>\$ 116,001</u>	<u>\$ 104,989</u>	<u>\$ 69,350</u>	<u>\$ 46,826</u>	<u>\$ 65,757</u>	<u>\$ 88,461</u>	<u>\$ 78,154</u>

Source: District Records

HOLLAND TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 15,662,100	\$ 19,866,700	\$ 18,740,600	\$ 15,993,100	\$ 13,910,600	\$ 13,960,200	\$ 13,623,600	\$ 12,898,800	\$ 11,043,000	\$ 10,255,300
Residential	504,186,100	631,566,600	637,852,300	646,038,300	644,816,900	646,967,000	646,506,300	646,373,000	646,768,800	643,244,500
Farm Regular	52,317,000	64,036,700	66,490,700	66,731,500	72,529,100	73,861,100	75,961,400	75,820,600	74,547,600	75,823,800
Q Farm	2,527,500	2,514,200	2,428,000	2,402,600	2,619,500	2,615,500	2,588,800	2,555,100	2,519,600	2,579,300
Commercial	14,981,200	16,210,700	16,221,100	16,192,600	16,192,600	16,150,100	16,302,400	16,202,400	16,745,200	16,745,200
Industrial	27,813,300	26,004,800	17,736,700	17,736,700	17,716,700	14,480,500	14,480,500	14,026,400	13,145,500	13,145,500
Apartment	587,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900
Total Assessed Value	618,075,100	760,609,600	759,879,300	765,504,700	768,195,300	768,444,300	769,872,900	768,286,200	765,179,600	762,203,500
Public Utilities (a)	2,212,182	2,196,628	1,901,237	1,865,780	1,915,521	1,952,899	2,066,917	1,938,850	1,948,801	1,671,889
Net Valuation Taxable	\$ 620,287,282	\$ 762,806,228	\$ 761,780,537	\$ 767,370,480	\$ 770,110,821	\$ 770,397,199	\$ 771,939,817	\$ 770,225,050	\$ 767,128,401	\$ 763,875,389
Estimated Actual County Equalized Value	\$ 656,913,449	\$ 759,926,853	\$ 808,243,008	\$ 876,204,072	\$ 854,549,495	\$ 830,689,491	\$ 832,100,698	\$ 783,944,071	\$ 746,069,777	\$ 691,448,812
Percentage of Net Valuation to Estimated Actual County Equalized Value	94.42%	100.38%	94.25%	87.58%	90.12%	92.74%	92.77%	98.25%	102.82%	110.47%
Total Direct School Tax Rate (b)	\$ 1.00	\$ 0.88	\$ 0.96	\$ 0.99	\$ 1.00	\$ 1.05	\$ 1.08	\$ 1.09	\$ 1.08	\$ 1.11

*

Source: Municipal Tax Assessor

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

(a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

(b) Tax rates are per \$100

* Revalued/Reassessed

HOLLAND TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate					Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Regional School Rate	Municipality	County	
			Total Direct School Tax Rate					
2004	\$ 0.95	\$ 0.05	\$ 1.00		\$ 0.49		\$ 0.44	\$ 1.93
2005	* 0.84	0.04	0.88		0.42		0.38	1.68
2006	0.92	0.04	0.96		0.46		0.38	1.80
2007	0.95	0.04	0.99		0.46		0.38	1.83
2008	0.97	0.03	1.00		0.48		0.37	1.85
2009	1.02	0.03	1.05		0.50		0.37	1.92
2010	1.04	0.04	1.08		0.50		0.37	1.95
2011	1.05	0.04	1.09		0.53		0.35	1.97
2012	1.08		1.08		0.52		0.34	1.94
2013	1.11		1.11		0.50		0.33	1.94

Sources: Municipal Tax Collector

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

HOLLAND TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Genon Energy Services	\$ 8,000,000	1	1.05%	\$ 18,606,800	1	3.00%
Oak Hill Golf Club	5,168,000	2	0.68%	4,096,300	3	0.66%
Individual Property Owner	3,268,000	3	0.43%			
Georgia Pacific Corporation	2,845,900	4	0.37%			
Columbia Gas	2,206,500	5	0.29%	2,191,700	5	0.35%
Fiberville Estates	1,973,700	6	0.26%			
Individual Property Owner	1,672,700	7	0.22%			
KJA Holdings Inc.	1,349,500	9	0.18%			
Verizon-NJ	1,340,627	7	0.18%	1,876,706	6	0.30%
Individual Property Owner	1,151,800	10	0.15%			
Fibermark				7,502,800	2	1.21%
SV Partnership				2,686,000	4	0.43%
Individual Property Owner				1,421,800	7	0.23%
Riegel Federated Credit Union				1,226,300	8	0.20%
Individual Property Owner				1,195,800	9	0.19%
Hunterdon Capital				1,130,300	10	0.18%
	<u>\$ 28,976,727</u>		<u>3.81%</u>	<u>\$ 41,934,506</u>		<u>6.75%</u>

Source: Municipal Tax Assessor

HOLLAND TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ending December 31.	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 10,787,163	\$ 10,472,000	97.08%
2004	12,270,594	11,936,109	97.27%
2005	12,945,989	12,659,114	97.78%
2006	13,824,703	13,489,252	97.57%
2007	14,126,824	13,825,854	97.87%
2008	14,326,777	13,990,030	97.65%
2009	14,783,316	14,476,124	97.92%
2010	15,104,272	14,801,704	98.00%
2011	15,216,041	14,971,324	98.39%
2012	14,931,139	14,704,177	98.48%

Sources: District records including the Certificate and Report of School Taxes (A4F form)

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2004	\$ 2,124,000		\$ 318,744			\$ 2,442,744	0.79%	\$ 466
2005	1,859,000		225,197			2,084,197	0.66%	397
2006	1,594,000		142,397			1,736,397	0.55%	331
2007	1,329,000		97,664			1,426,664	0.42%	271
2008	1,064,000		50,252			1,114,252	0.31%	212
2009	799,000					799,000	0.22%	152
2010	534,000					534,000	0.15%	101
2011	269,000					269,000	0.08%	51
2012							N/A	N/A
2013							N/A	N/A

NOTES: (1) Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(2) The Holland Township School District had no bonded debt as of June 30, 2012 and June 30, 2013

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2004	\$ 2,124,000		\$ 2,124,000	0.34%	\$ 405
2005	1,859,000		1,859,000	0.24%	354
2006	1,594,000		1,594,000	0.21%	304
2007	1,329,000		1,329,000	0.17%	253
2008	1,064,000		1,064,000	0.14%	203
2009	799,000		799,000	0.10%	152
2010	534,000		534,000	0.07%	101
2011	269,000		269,000	0.03%	51
2012				N/A	N/A
2013				N/A	N/A

NOTES (1) Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(2) The Holland Township School District had no bonded debt as of June 30, 2012 and June 30, 2013

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

HOLLAND TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 155,492	100.00	\$ 155,492
Regional High School	3,535,000	29.74	1,051,409
County General Obligation Debt	69,903,571	3.34	2,336,182
Subtotal, Overlapping Debt			3,543,083
School District Direct Debt			
Total Direct and Overlapping Debt			\$ 3,543,083

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis

2012	\$ 692,470,226
2011	747,142,079
2010	<u>783,585,649</u>

\$ 2,223,197,954

Average Equalized Valuation of Taxable Property \$ 741,065,985

Debt Limit (3.0% of Average Equalization Value) 22,231,980 (a)

Total Net Debt Applicable to Limit -

Legal Debt Margin \$ 22,231,980

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 16,436,451	\$ 18,369,508	\$ 20,582,382	\$ 22,742,973	\$ 24,526,012	\$ 25,414,836	\$ 25,386,205	\$ 24,687,055	\$ 23,590,605	\$ 22,231,980
Total Net Debt Applicable	<u>2,124,000</u>	<u>2,024,246</u>	<u>1,699,505</u>	<u>1,329,000</u>	<u>1,064,000</u>	<u>799,000</u>	<u>534,000</u>	<u>269,000</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 14,312,451</u>	<u>\$ 16,345,262</u>	<u>\$ 18,882,877</u>	<u>\$ 21,413,973</u>	<u>\$ 23,462,012</u>	<u>\$ 24,615,836</u>	<u>\$ 24,852,205</u>	<u>\$ 24,418,055</u>	<u>\$ 23,590,605</u>	<u>\$ 22,231,980</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.92%	11.02%	8.26%	5.84%	4.34%	3.14%	2.10%	1.09%	0.00%	0.00%

Source: Equalized Valuation Bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

HOLLAND TOWNSHIP SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2004	5,243	\$ 315,413,637	\$ 60,159	3.9%
2005	5,246	314,130,480	59,880	3.2%
2006	5,252	339,730,872	64,686	4.0%
2007	5,260	359,720,880	68,388	3.5%
2008	5,253	366,486,051	69,767	4.5%
2009	5,268	346,450,020	65,765	8.2%
2010	5,291	354,777,423	67,053	8.4%
2011	5,278	357,373,380	67,710	8.2%
2012	5,194	N/A	N/A	8.4%
2013	5,194	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

HOLLAND TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2013			2004		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

HOLLAND TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:										
Regular	57.0	58.0	64.0	66.0	62.0	46.5	47.0	45.9	44.9	44.9
Special Education	8.5	9.5	10.0	11.0	12.0	30.2	31.5	28.7	28.2	28.7
Support Services:										
Student and Instruction Related Services	13.8	11.7	17.0	15.0	16.5	16.5	15.5	14.7	13.8	15.6
General Administration	3.7	1.4	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
School Administration Services	2.0	2.4	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Central Services	3.0	4.0	3.0	3.0	3.5	3.5	3.5	3.5	3.4	3.4
Plant Operations and Maintenance	5.4	5.4	6.4	6.4	6.0	6.0	6.0	6.5	6.8	5.8
Pupil Transportation										
Total	93.4	92.4	107.4	108.4	107.0	109.7	109.5	104.3	102.1	103.4

Sources: District Personnel Records

HOLLAND TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2004	683	\$ 7,534,557	\$ 11,032	6.47%	64	1 to 10.67	684.6	658.7	1.24%	96.22%
2005	714	8,390,719	11,752	6.53%	72	1 to 9.92	708.7	678.3	3.52%	95.71%
2006	720	8,960,206	12,445	5.90%	73	1 to 9.86	716.3	686.3	1.07%	95.81%
2007	716	9,772,482	13,649	9.67%	74	1 to 9.68	713.4	685.8	-0.40%	96.13%
2008	687	10,505,797	15,292	12.04%	71	1 to 9.68	684.2	656.8	-4.09%	96.00%
2009	675	10,110,849	14,979	-2.05%	73	1 to 9.24	674.9	644.1	-1.36%	95.44%
2010	665	10,625,302	15,978	6.67%	64	1 to 10.91	663.2	629.8	-1.73%	94.96%
2011	659	10,225,470	15,517	-2.89%	63.4	1 to 10.40	656.9	626.2	-0.95%	95.33%
2012	652	10,882,920	16,692	7.57%	64.0	1 to 10.18	648.9	619.9	-1.22%	95.53%
2013	627	11,361,779	18,121	8.56%	64.9	1 to 9.67	622.3	592.4	-4.10%	95.20%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

HOLLAND TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Holland Township Elementary (1939)</u>										
Square Feet	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840
Capacity (Students)	770	770	770	770	770	770	770	770	770	770
Enrollment	693	714	720	717	717	672	659	655	647	618

Number of Schools at June 30, 2013:
 Elementary & Middle 1

Source: District Facilities Office

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

HOLLAND TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

* School Facilities

	Holland Township School	Total
2004	\$ 36,121	\$ 36,121
2005	42,973	42,973
2006	38,153	38,153
2007	68,388	68,388
2008	154,254	154,254
2009	102,985	102,985
2010	154,526	154,526
2011	61,258	61,258
2012	110,647	110,647
2013	129,837	129,837
Total School Facilities	<u>\$ 899,142</u>	<u>\$ 899,142</u>

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

Source: District Records

HOLLAND TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Insurance Cooperative)	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	500
Blanket Position Bond	500,000	1,000
Underground Storage Tank Liability-School Alliance Insurance Fund Through Illinois Union Insurance Company:		
Per Incident	1,000,000	10,000
Student Accident Insurance-Monumental Life Insurance Company:		
Policy Limit	1,000,000	
School Board Legal Liability-School Alliance Insurance Fund:		
Policy Limit	5,000,000	5,000
Worker's Compensation-School Alliance Insurance Fund:		
Per Accident, Disease and Disease Limit	5,000,000	
Excess Liability-School Alliance Insurance Fund:		
Policy Limit	5,000,000	
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer of School Monies Bond	200,000	
Business Administrator's Bond	100,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

Independent Auditor's Report

September 19, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Holland Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated September 19, 2013.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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Independent Auditor's Report

September 19, 2013

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Holland Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2013. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2013, and have issued our report thereon dated September 19, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

HOLLAND TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2013		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed-Through State Department of Education: Special Revenue Fund:													
NCLB Title I	84.010A	NCLB-222013	\$ 18,456	09/01/2012-08/31/2013			\$ 12,681	\$ 18,456			\$ (5,775)		
NCLB Title II A	84.367A	NCLB-222013	8,120	09/01/2012-08/31/2013			8,120	8,120					
IDEA Basic	84.027	IDEA-222012	141,004	09/01/2011-08/31/2012	\$ (44,980)		44,980						
IDEA Basic	84.027	IDEA-222013	141,298	09/01/2012-08/31/2013			126,156	141,298			(15,142)		
IDEA Preschool	84.173	IDEA-222013	5,428	09/01/2012-08/31/2013			5,428	5,428					
Total Special Revenue Fund					(44,980)	\$ -	197,365	173,302	\$ -	\$ -	(20,917)	\$ -	\$ -
US Department of Agriculture Passed-Through State Department of Agriculture: Food Service Fund:													
Food Donation Program	10.550	N/A	16,563	07/01/2011-06/30/2012	2,262			2,262					
Food Donation Program	10.550	N/A	14,706	07/01/2012-06/30/2013			14,706	11,608				3,098	
National School Lunch Program	10.555	N/A	29,005	07/01/2011-06/30/2012	(1,544)		1,544						
National School Lunch Program	10.555	N/A	26,873	07/01/2012-06/30/2013			25,323	26,873			(1,550)		
Total Food Service Fund					718	-	41,573	40,743	-	-	(1,550)	3,098	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (44,262)	\$ -	\$ 238,938	\$ 214,045	\$ -	\$ -	\$ (22,467)	\$ 3,098	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HOLLAND TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance 6/30/2012	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2013			Memo		
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Education													
General Fund:													
Categorical Special Education Aid	13-495-034 -5120-089	\$ 373,615	07/01/2012- 06/30/2013		\$ 373,615	\$ 373,615						\$ 37,036	\$ 373,615
Equalization Aid	13-495-034 -5120-078	1,292,878	07/01/2012- 06/30/2013		1,292,878	1,292,878						128,162	1,292,878
Security Aid	13-495-034 -5120-084	9,549	07/01/2012- 06/30/2013		9,549	9,549						946	9,549
Transportation Aid	13-495-034 -5120-014	51,787	07/01/2012- 06/30/2013		51,787	51,787						5,134	51,787
Extraordinary Aid	13-100-034 -5120-473	173,455	07/01/2012- 06/30/2013			173,455			\$ (173,455)				173,455
Extraordinary Aid	12-100-034 -5120-473	161,290	07/01/2011- 06/30/2012	\$ (161,290)	161,290								161,290
Nonpublic Transportation Aid	13-495-034 -5120-014	942	07/01/2012- 06/30/2013			942			(942)				942
Nonpublic Transportation Aid	12-495-034 -5120-014	1,054	07/01/2011- 06/30/2012	(1,054)	1,054								1,054
On-Behalf TPAF Pension Contribution-Post Retirement Medical	13-495-034 -5095-001	332,073	07/01/2012- 06/30/2013		332,073	332,073							332,073
On-Behalf TPAF Pension Contribution-Normal Cost and Accrued Liability	13-495-034 -5095-006	278,996	07/01/2012- 06/30/2013		278,996	278,996							278,996
On-Behalf TPAF Pension Contribution-Non Contributory Group Insurance	13-495-034 -5095-007	14,679	07/01/2012- 06/30/2013		14,679	14,679							14,679
Reimbursed TPAF Social Security Contributions	12-495-034 -5095-002	336,227	07/01/2011- 06/30/2012	(15,676)	15,676								336,227
Reimbursed TPAF Social Security Contributions	13-495-034 -5095-002	331,879	07/01/2012- 06/30/2013		315,776	331,879			(16,103)				331,879
Total General Fund				<u>(178,020)</u>	<u>2,847,373</u>	<u>2,859,853</u>	<u>\$ -</u>	<u>(190,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>171,278</u>	<u>\$ 3,358,424</u>	
School Development Authority													
Capital Projects Fund:													
Masonry, Slate Roofing and Security System Upgrades	2220-060-10-1004	270,320	07/01/2010- 06/30/2013	(270,320)	270,320	-	-	-	-	-	-	-	270,320
State Department of Agriculture													
Food Service Fund:													
State School Lunch Program	12-100-010 -3350-023	2,173	07/01/2011- 06/30/2012	(118)	118								2,173
State School Lunch Program	13-100-010 -3350-023	1,928	07/01/2012- 06/30/2013		1,706	1,928			(222)				1,928
Total Food Service Fund				<u>(118)</u>	<u>1,824</u>	<u>1,928</u>	<u>-</u>	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,101</u>	
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (448,458)</u>	<u>\$ 3,119,517</u>	<u>\$ 2,861,781</u>	<u>\$ -</u>	<u>\$ (190,722)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,278</u>	<u>\$ 3,632,845</u>	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Holland Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's general-purpose financial statements.

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,358) for the general fund, (\$2,888) for the special revenue fund and \$-0- for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 2,850,495	\$ 2,850,495
Special Revenue Fund	\$ 16,225	\$ 173,302	1,972	191,499
Food Service Fund		40,743	1,928	42,671
	<u>\$ 16,225</u>	<u>\$ 214,045</u>	<u>\$ 2,854,395</u>	<u>\$ 3,084,665</u>

HOLLAND TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2013
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

HOLLAND TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Noncompliance Material to General Purpose Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes No

Type of Auditor's Report Issued on Compliance for Major Programs? NOT APPLICABLE

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133 Yes No

Identification of Major Programs:

 CFDA Numbers Amount Name of Federal Program

HOLLAND TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee Yes No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk auditee X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unqualified

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
13-495-034-5120-078	\$ 1,292,878	Equalization Aid
13-495-034-5120-089	373,615	Categorical Special Education Aid
13-495-034-5095-002	331,879	Reimbursed TPAF Social Security' Contributions
13-100-034-5120-473	173,455	Extraordinary Special Education Costs Aid

HOLLAND TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2013.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2013.

HOLLAND TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

K-7

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.