

# WHAT IS HOLLAND HIDING?



**\$43 Million  
in  
Hidden Debt**

Nearly all of Holland's retirement debt is not clearly disclosed on its balance sheet.

These debts are not reported on Holland balance sheet, because city officials use antiquated accounting rules to report Holland's financial condition. Even if these hidden debts are counted, Holland appears to be in a positive financial position.

Truth in Accounting's detailed analysis discovered a total of \$43 million of retirement benefits are owed, but not funded. Because of the confusing way the city does its accounting, only \$206,000 of these liabilities are reported on Holland's balance sheet. When this debt is included, Holland has \$124 million of assets in excess of the city bills.

## HOLLAND'S ASSETS EXCEED ITS BILLS

**\$185 Million  
ASSETS**

**\$61 Million  
BILLS**

**\$124 Million  
NEEDED TO  
PAY BILLS**

# THE FINANCIAL STATE OF HOLLAND

## The City's Assets Exceed Its Bills

Assets	\$478,551,000
Less: <i>Capital Assets</i>	\$277,473,000
<i>Restricted Assets</i>	\$16,090,000
Assets Available to Pay Bills	\$184,988,000
Less: Bills	\$61,078,000
Money Available to Pay Bills	\$123,910,000
<b>Each Taxpayer's Share of Surplus</b>	<b>\$12,100</b>

Holland has \$479 million in assets, but most of these assets are not available to pay city bills.

The \$277 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$16 million of the assets is restricted by law or contract.

That leaves \$185 million of city's assets available to pay \$61 million of bills as they come due.

Holland's elected officials seem to promise only the amount of benefits they can afford to pay.

Each Taxpayer's Share of the city's Financial Surplus is \$12,100



**Truth in Accounting**

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

[www.TruthInAccounting.org](http://www.TruthInAccounting.org)

[www.StateDataLab.org](http://www.StateDataLab.org)

## The Bills Holland Has Accumulated

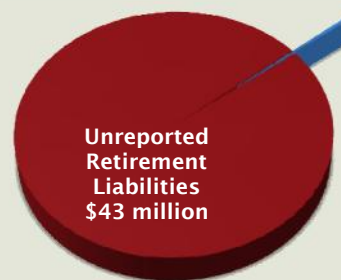
Bonds	\$46,397,000
Other Liabilities	\$15,059,000
Less: Debt Related to Capital Assets	\$43,554,000
Unfunded Pension Benefits	\$35,163,000
Unfunded Retirees' Health Care Benefits	\$8,013,000
<b>Bills</b>	<b>\$61,078,000</b>

The city has accumulated bonds of \$46 million and other liabilities of \$15 million. The calculation of assets available to pay bills does not include capital assets, so \$44 million of related debt is removed from the calculation of State bills.

Unfunded employees' retirement benefits represent 71% of city bills. These unfunded liabilities have accumulated because city employees have been promised \$35 million of pension benefits and \$8 million of retirees' health care benefits. Unlike most states, Holland has the assets needed to pay these liabilities.

Holland's elected officials seem to promise only the amount of benefits they can afford to pay.

## Not All Retirement Liabilities Are Clearly Disclosed



A detailed study of Holland's actuaries' schedules found retirement benefits totaling \$43 million have been promised, but not funded. A review of the city's balance sheet determined only \$206,000 of these liabilities are reported. This means the city does not report nearly all of its retirement liabilities on its balance sheet.

Data is derived from the city of Holland's June 30, 2013 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the city's population with a federal tax liability.