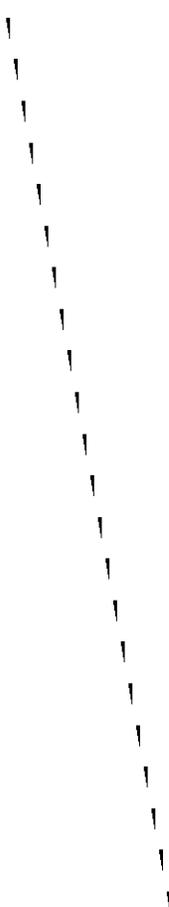


**SCHOOL DISTRICT OF
MOUNT HOLLY**

Mount Holly, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

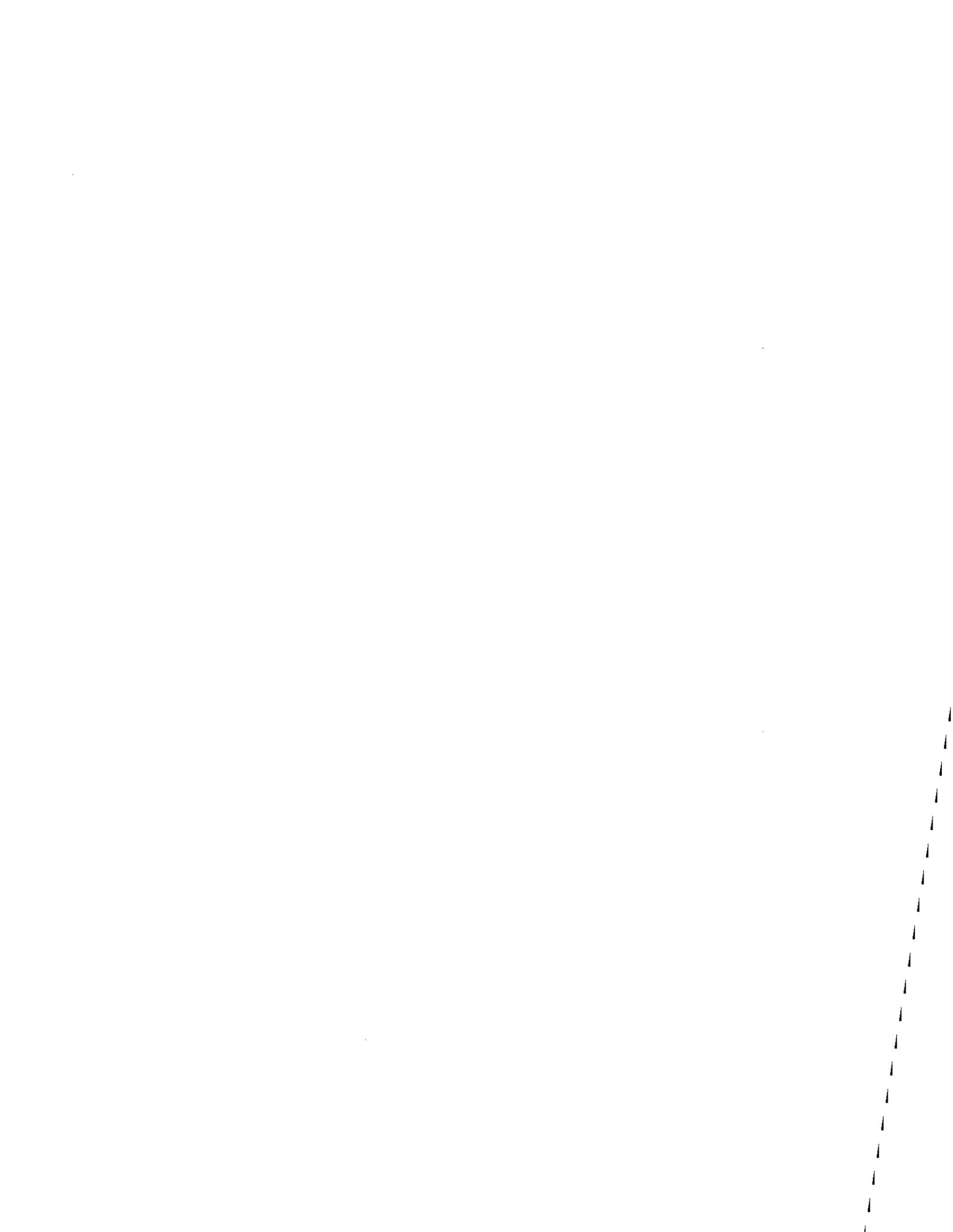
MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

**Mount Holly School District
Business Administrator's Office**



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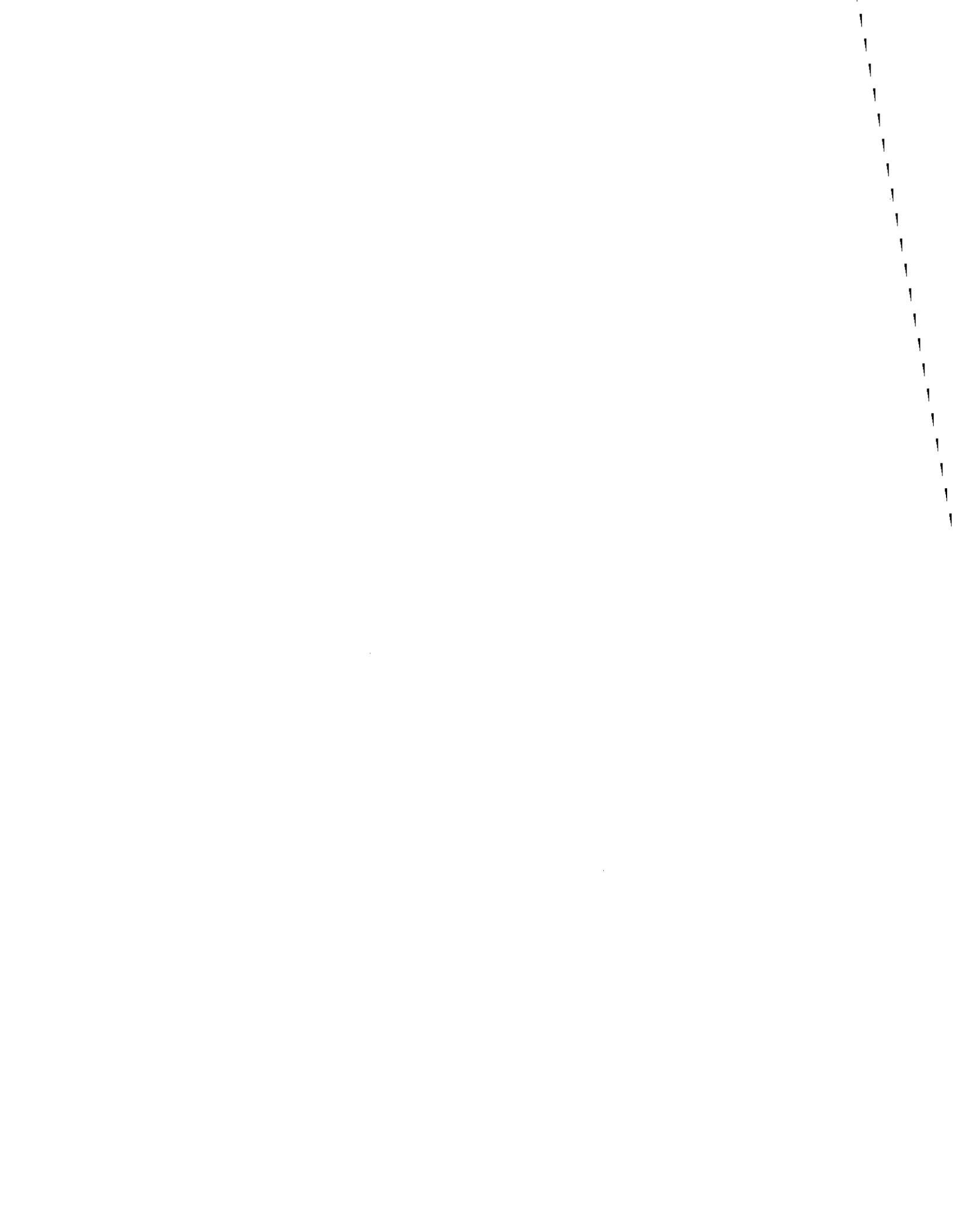
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INTRODUCTORY SECTION





Mount Holly Township Public Schools
School Business Office
331 Levis Drive
Mount Holly, NJ 08060
Phone: (609) 267-7033
Fax: (609) 265-8028

September 10, 2013

Honorable President and
Members of the Board of Education
Mount Holly Township School District

Dear Members of the Board,

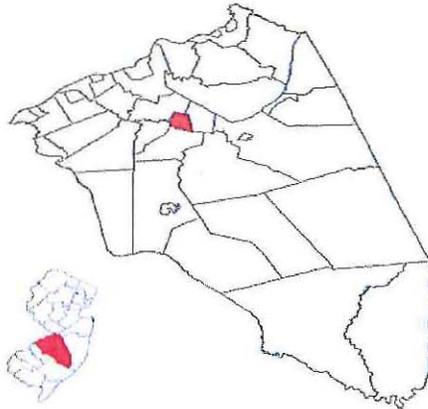
We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Mount Holly Township School District (District) for the fiscal year ended June 30, 2013. Responsibility for the accuracy of the data completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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 basic financial statements and results of operations of the District. This report will provide the taxpayers of the Mount Holly Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs. The Comprehensive Annual Financial Report is presented in four sections as follows:

1. The Introductory Section contains a table of contents, this Letter of Transmittal, List of Principle Officials, and an Organizational Chart of the School District.
2. The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position, operating results, and other schedules illustrating detailed budgetary information.
3. The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.
4. The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

School District Organization

The Mount Holly Township School District is one of 41 school districts in Burlington County, New Jersey. The district provides education to students in grades Pre-K through 8 living in Mount Holly Township.

An elected five-member Board of Education (the "Board") serves as the chief policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money. The Superintendent is the Chief Executive Officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the Chief Financial Officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities



incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

Geographically, the District is located in the north central part of Burlington County. Mount Holly Township is the seat of Burlington County with a population of approximately **24,713 (census 2010)**. The community has a long and rich history with several sites on the National Register of Historic Places. The 1,040 students enrolled in the Mount Holly Township School District will attend the Rancocas Valley Regional High School with four (4) other local communities, Hainesport, Westampton, Eastampton, and Lumberton.

Reporting Entity

The Mount Holly Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Mount Holly Township School District Board of Education and its three schools constitute the District's reporting entity.

Economic Condition

Burlington County is steeped in history from pre-revolutionary times to the present day. The County is home to two major military installations in Fort Dix and McGuire Air Force Base. The Mount Holly Township School District serves students from a wide range of socioeconomic backgrounds.

Burlington County is located in the center of the state approximately 80 miles south of New York City and 20 miles east of Philadelphia. Philadelphia International Airport is just 30 minutes away. At approximately 820 square miles, Burlington County is the largest county in New Jersey stretching from the Pinelands Forests to the Delaware River. The County is home to approximately 2,100 acres of state parklands, 600 farms, and over 300 historical sites.

Because Burlington County is among the fastest growing in New Jersey, change is constant in the Mount Holly Township School District. A Township redevelopment plan is currently in the works, and will bring new housing, jobs, and many other exciting opportunities. With new housing comes new students; new students bring the need for more teachers, support services, and upgrades to facilities.

The District completed the 2012-13 fiscal year with an enrollment of 1,040 students, which is 59 students more than the previous year's enrollment. **Though the past several years have shown declines in the enrollment within the district, this trend is not likely to continue as the major condition of the decreased enrollment has been the West Rancocas Redevelopment Project which is nearly underway. There are few acquisitions left to be made by the Township, and the number of current students expected to be lost is less than new students anticipated. The following details the changes in the average daily enrollment of the District over the last seven years:**

<u>Fiscal Year</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Percent Change</u>
2012-13	1040	5.7%
2011-12	981	-1.2%
2010-11	993	-0.5%
2009-10	998	-2.1%
2008-09	1,019	-2.2%
2007-08	1,042	-2.9%
2006-07	1,073	-0.9%

Outlook for the Future: Fiscal Year 2013-14 and Beyond

The Mount Holly Township School District, along with many other public school systems in the State, will continue to face some difficult economic situations given the primary funding source is property tax revenue. The district's overall anticipated revenues from state and federal sources decreased for 2012-13. The decrease is due to the decrease in state aid and the 2% cap in local tax levy.

The District's administration is closely monitoring the cost of operations and continues to look for new funding sources and efficiencies in expenditures, in order to maintain and improve the quality educational services that the School District has been accustomed to providing.

Educational Program

MISSION STATEMENT

"We believe in the worth of all students and their right to have the opportunity to obtain the knowledge and skills necessary to prosper in an increasingly global world. The mission of the Mount Holly Township Public Schools is to provide a caring, nurturing, safe environment that challenges all students to develop their full potential- intellectually, socially, emotionally, and physically in cooperation with parents, staff, Board of Education, and community. The district is committed to the mastery of the New Jersey Core Curriculum Content Standards and the Common Core Standards."

The Mount Holly Township School District places a high priority on student performance. Mount Holly Public Schools, in concert with an involved and supportive community, make every effort to provide a rich and rewarding educational experience for our children. Our mission is to provide the opportunity for all children to succeed. To this end, we will ensure:

- Demonstratively effective instructional programs
- A safe, clean and healthy learning environment
- A motivated, skilled staff who are committed to continuous school improvement
- Collaboration between school, parents and community
- Effective leadership, management and fiscal accountability

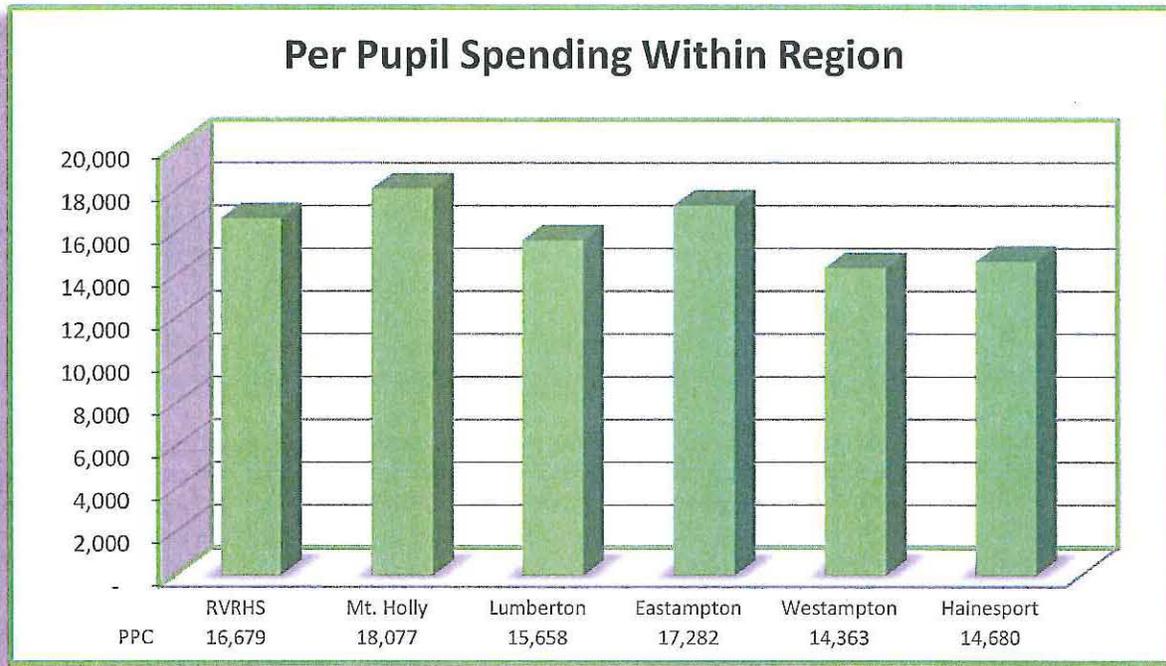
As we look to the future, we realize that change is a given and with every new school year comes a new set of opportunities and challenges for our school, families and community. The demands of higher achievement standards, state assessments, and accountability measures are only part of the picture. The focus on improved student achievement will mean little if we fail to nurture ethical values and citizenship. We need to produce children who are good students and even better people. We need to produce children who demonstrate respect for themselves and others. Our schools stand ready to work with our families and community to support the development of these values and help all children achieve to the best of their ability.

The Mount Holly Public Schools are on the road to continuous improvement. We encourage all parents to join us by being actively involved in their children's education. There is not a better gift to give than a quality education. Working together, we prepare our children for the challenges of the 21st Century and help each child achieve and succeed.

The District has highly competent teaching, supervisory and administrative staff with approximately 64% with Bachelor's degrees, and 36% with Master's degrees. The staff continues to refine its expertise and competency through ongoing staff development District-wide through curriculum development committees and workshops. Teachers are enrolled in graduate-level programs in numerous colleges and universities. A total of \$30,610 was reimbursed to staff to help defray the cost of college tuition. An additional \$10,962 was expended on workshops and conferences.

In July 2013, the New Jersey Department of Education released its 2013 Taxpayer's Guide to Education Spending for all school districts in the State. The guide compares districts of like size and grade structure. The Mount Holly Township School District was compared with 88 other Pre-K to 8th grade districts within the State. The report showed that the District spends \$18,077 per pupil while the state average is \$18,047. According to the report, similar district average per pupil cost is \$16,842.

For the past two years our district has budgeted \$14,678 and \$15,508 per pupil. Over the same time frame, the state average has ranged from \$13,735 to \$14,506. It should be noted that because of Mount Holly's District Factor Grouping (DFG) of B, there are many required expenditures that other districts do not have to meet. It should be noted that when compared to districts that also serve townships that are county seats, Mount Holly's per pupil cost was much more comparable.



Internal Accounting and Budgetary Control

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and 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 system 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 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 awards, the District is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is subjected to a periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state awards, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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 Township. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund (when necessary). Project-length budgets are approved for the capital improvements accounted for in the capital projects fund.

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

Cash Management

The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic 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.

Risk Management

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, student accident and comprehensive/collision, hazard, and theft insurance on property and contents and fidelity bonds. The School Business Administrator oversees risk management for the District. A schedule of insurance coverage is found in the Statistical Section as Schedule J-20.

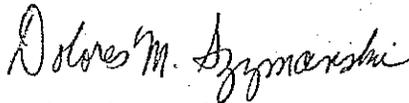
Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman & Frenia, P.C. was selected by the Board of Education through the submission of competitive proposals. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, and the related U.S. Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

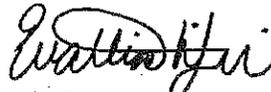
Acknowledgements

We would like to express our appreciation to the members of the Mount Holly Township School District 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 services of our financial and accounting staff.

Respectfully submitted,



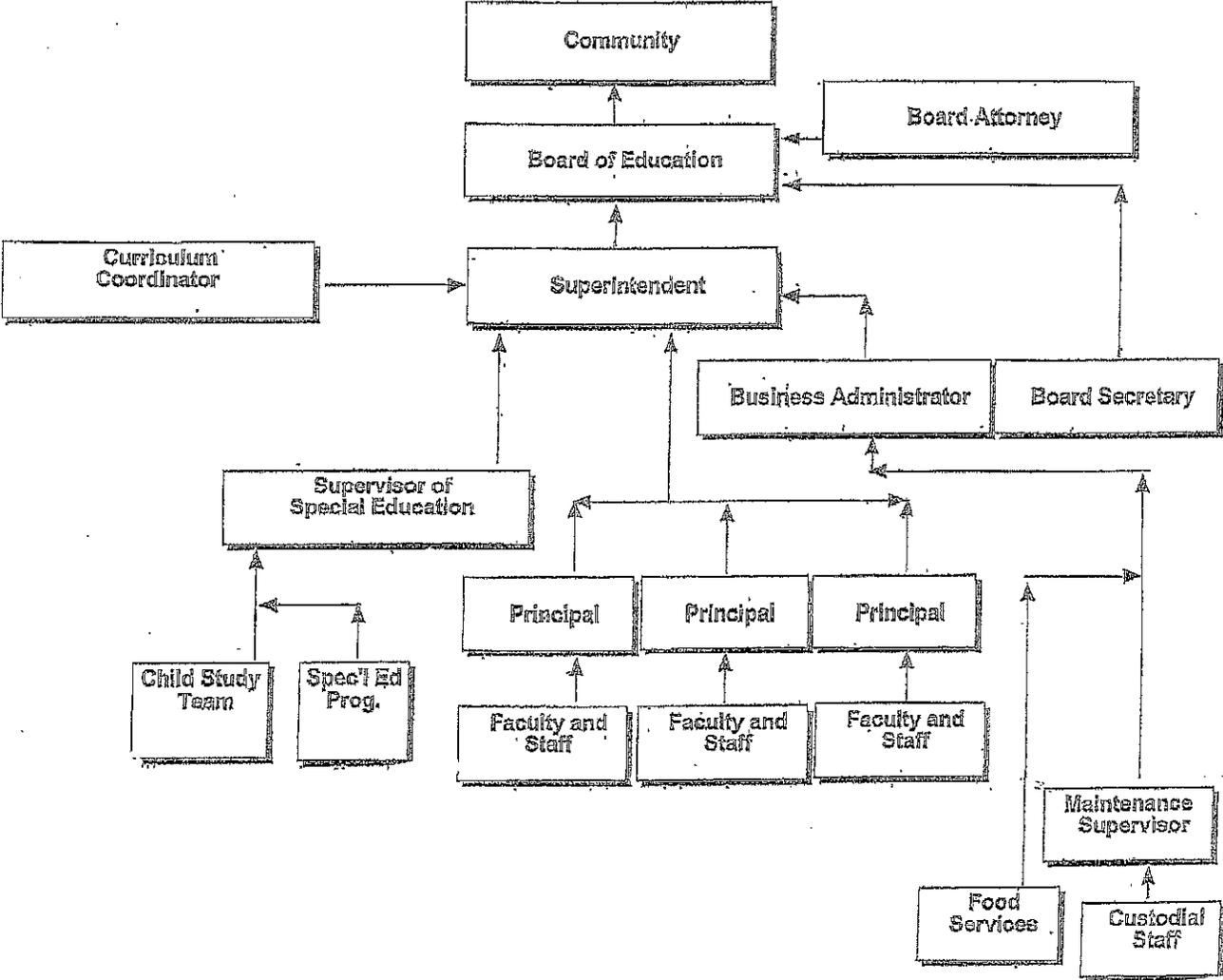
Dolores Szymanski Ed.D.
Interim Superintendent



Evon DiGangi, CPA
School Business Administrator/
Board Secretary

MOUNT HOLLY TOWNSHIP PUBLIC SCHOOLS

Organizational Chart (UNIT CONTROL)



MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Samuel Reale, President	2013
Tim Young, Vice President	2014
Johanna Keely	2013
Brian Grant	2015
Cynthia Regn	2015

OTHER OFFICIALS

Dr. Eric Hibbs, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Frank Cavallo, Esq.

MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

Kevin Frenia, CPA, PSA
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Frank Cavallo, Esq.
Parker McCay
9000 Midlantic Drive, Suite 300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Beneficial Bank
Philadelphia, Pennsylvania

FINANCIAL SECTION



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
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795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Mount Holly School District
County of Burlington
Mount Holly, New Jersey 08060

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 Mount Holly Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the District'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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 that 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 of each major fund and the aggregate remaining fund information of the Mount Holly Board of Education, County of Burlington, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, 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 on pages 12 through 22 and 56 through 67 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 Mount Holly Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012 and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

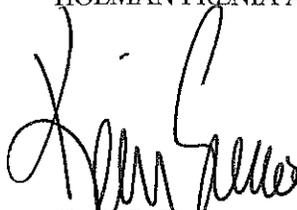
The introductory section, comparative totals for June 30, 2012 and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on our consideration of the Mount Holly Board of Education'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 Mount Holly Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'Kevin P. Frenia', is written over the typed name below.

Kevin P. Frenia,
Public School Accountant
Certified Public Accountant
No. 1011

Medford, New Jersey
September 10, 2013



REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of Mount Holly Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended 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 basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2012-13) and the prior fiscal year (2011-2012) is presented in the MD&A.

Financial Highlights

Key financial highlights for 2013 are as follows:

- Total assets increased by \$1,818,599 as cash and cash equivalents decreased by \$247,745 receivables increased by \$264,368, net capital assets increased by \$822,676, and restricted cash and cash equivalents increased by \$979,300.
- General Fund revenues accounted for \$19,420,371 in revenue, or 94 percent of all revenues. Special revenues in the form of State and Federal grants and aid, accounted for \$1,169,042 or 6 percent of total revenues of \$20,589,413.
- The School District had \$19,634,363 in total expenditures; \$12,836,488 of which represents salaries and benefits for the district or approximately 65 percent of expenditures for the fiscal year ending June 30, 2013.
- The Food Service Enterprise Fund had a decrease in net position of \$10,568 in 2013 compared to an increase of \$48,047 in 2012.
- The total Fund Balance per Governmental funds was \$4,973,883. \$409,300 was added to capital reserve, \$570,000 was added to maintenance reserve and \$0 was added to emergency reserve as of June 30, 2013.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Mount Holly Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing the level of service that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of a whole school district, presenting both an aggregate view of a school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting, takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that the financial position, for the District as a whole has improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operating maintenance of plant services, student transportation, and extracurricular activities.
- **Business-Type Activities** - This service is provided on a charge-for-goods-or-services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 35 to 57 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government'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 School District's net position for 2012 and 2013.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

TABLE 1 - NET POSITION

Description	Governmental Activities		Business-Type Activities	
	2012	2013	2012	2013
ASSETS -				
Current assets	\$ 4,389,544	\$ 5,374,002	\$ 111,918	\$ 123,383
Capital assets, net	11,361,799	12,208,415	77,512	53,572
Total assets	\$ 15,751,343	\$ 17,582,417	\$ 189,430	\$ 176,955
LIABILITIES -				
Current liabilities	\$ 370,712	\$ 451,235	\$ 11,114	\$ 9,207
Noncurrent liabilities	961,997	811,356	-	-
Total liabilities	\$ 1,332,709	\$ 1,262,591	\$ 11,114	\$ 9,207
NET ASSETS -				
Invested in capital assets, net of related debt	\$ 11,361,799	\$ 12,074,204	\$ 77,512	\$ 53,572
Restricted	3,911,564	4,973,883	-	-
Unrestricted	(854,728)	(728,261)	100,804	114,176
Total net position	\$ 14,418,635	\$ 16,319,826	\$ 178,316	\$ 167,748

The District's combined net position were \$16,487,574 on June 30, 2013. This was an increase of 12.95% percent from the prior year.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

Table 2 shows changes in net position for fiscal year 2012 and 2013.

Description	Governmental Activities		Business-Type Activities	
	2012	2013	2012	2013
REVENUES -				
Program Revenues:				
Charges for services	\$ -		\$ 158,248	\$ 157,605
Operating grants & contributions	1,666,996	1,169,042	302,410	338,960
General Revenues:				
Property Taxes	7,157,227	7,300,372		
Grants & entitlements	10,359,703	11,797,346		
Other	149,770	322,653	497	106
Adjustment of Fixed Assets	(191,045)	897,732	54,143	(6,792)
Total Revenues	\$ 19,142,651.00	\$ 21,487,145	\$ 515,298	\$ 489,879
EXPENSES -				
Instruction	\$ 7,523,466	\$ 7,712,325	\$ -	
Tuition	1,644,007	1,365,089		
Related services	1,693,995	1,878,373		
General administration	1,035,339	976,956		
Central services	353,380	404,609		
Operations & maintenance	1,412,694	1,743,398		
Transportation	302,699	317,491		
Other Objects	-			
Employee benefits	3,908,934	4,148,816		
Food service			467,251	500,447
compensated absences	18,081	(48,409)		
Other	195,546	1,087,306	-	-
Total Expenses	\$ 18,088,141	\$ 19,585,954	\$ 467,251	\$ 500,447
Incr. in Net Assets before Transfer	\$ 1,054,510	\$ 1,901,191	\$ 48,047	\$ (10,568)
Changes in Net Assets	\$ 1,054,510	\$ 1,901,191	\$ 48,047	\$ (10,568)
Net Assets - July 1	13,364,125	14,418,635	130,269	178,316
Net Assets - June 30	\$ 14,418,635	\$ 16,319,826	\$ 178,316	\$ 167,748

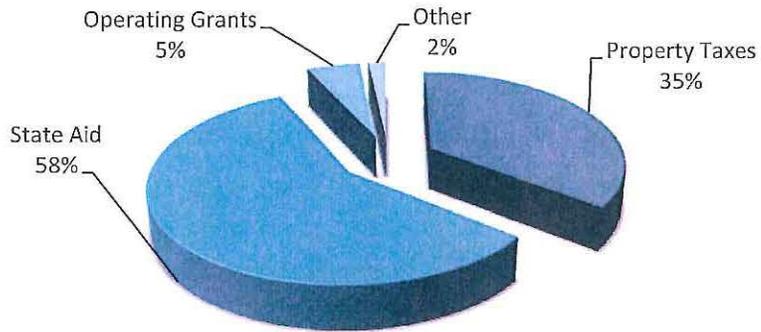
Governmental Activities

Property taxes made up 35 percent of revenues for fiscal year 2013 and 37 percent for fiscal year 2012. The District's total revenue for governmental activities was \$20,589,413 for the year ended June 30, 2013. Federal and state aid, accounted for another 63 percent of revenue.

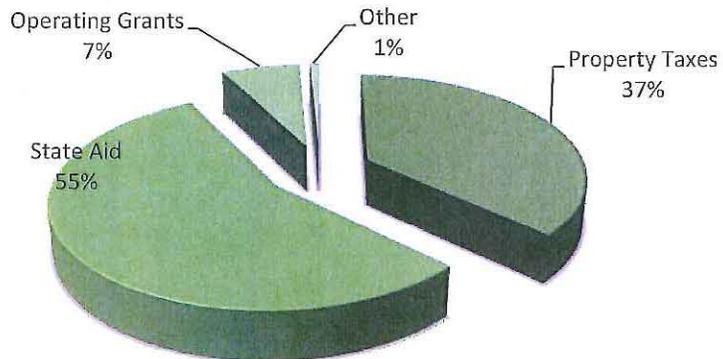
MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)

Sources of revenue for Fiscal Year 2013



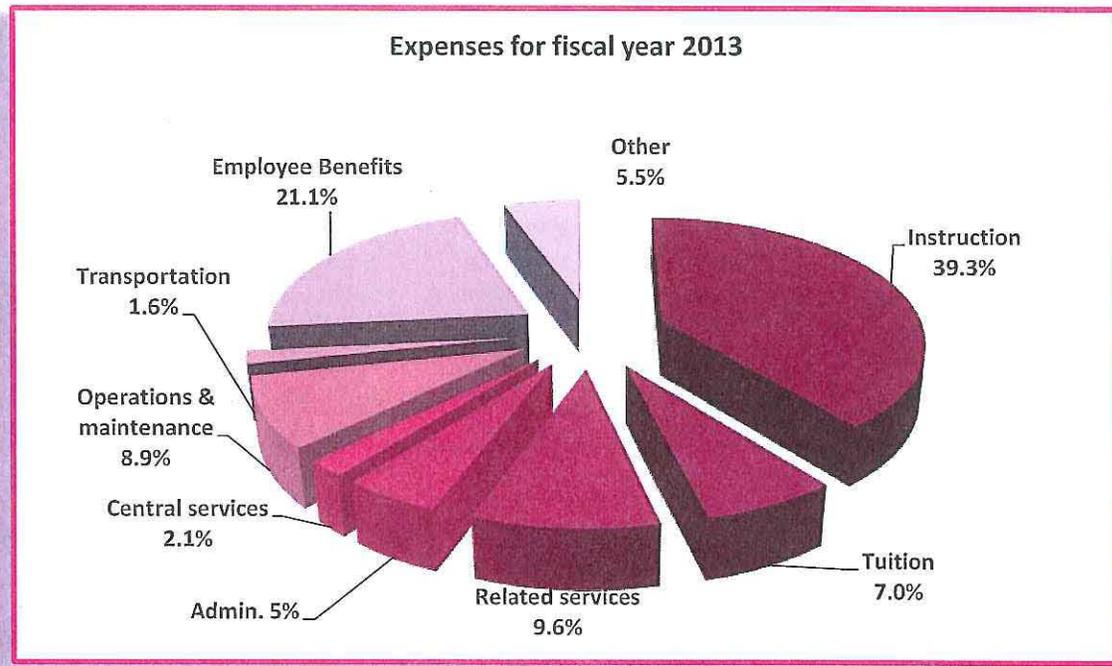
Sources of revenue for Fiscal Year 2012



The total cost of all programs and services was \$19,634,363. Instruction and benefits comprised 60% of all District expenses.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)



Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$10,568.
- Charges for services represent \$157,605 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfasts, and donated commodities was \$338,960.

Governmental Activities

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. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

TABLE 3 -- Net Cost of Services				
Description	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$ 7,523,466	\$ 6,664,398	\$ 7,712,325	\$ 6,880,855
Support Services:				
Pupils and Instructional staff	3,338,002	3,111,275	3,243,462	2,908,003
Administration	1,388,719	1,388,719	1,381,565	1,381,565
Operation and Maint.	1,412,694	1,412,694	1,743,398	1,743,398
Pupil transportation	302,699	302,699	317,491	317,491
Employee benefits	3,908,934	3,908,934	4,148,816	4,148,816
Other	195,546	163,428	1,087,306	1,085,193
Total Expenses	\$ 18,070,060	\$ 16,952,147	\$ 19,634,363	\$ 18,465,321

- Instruction expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.
- Administration includes all expenses associated with the administrative and fiscal supervision of the school district.
- Operations and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.
- 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.
- Employee benefits represent all health, dental, pensions, other fringe benefits and taxes applicable to all salaries of the district.
- "Other" includes Capital Outlay and other miscellaneous items.

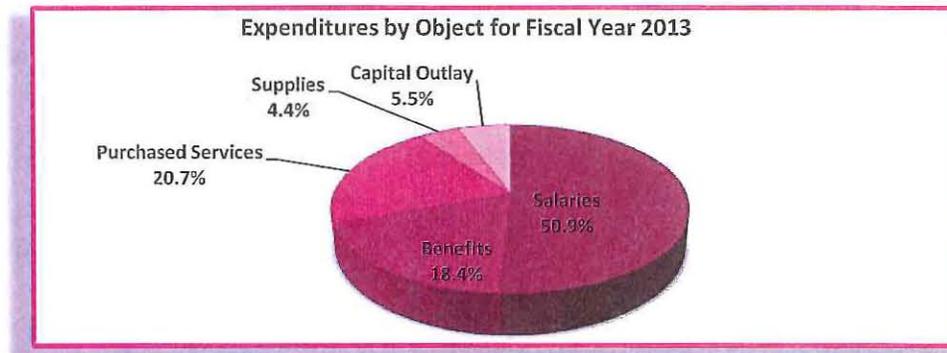
The School District's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,589,413 and expenditures were \$19,634,363 in 2013. The net change in fund balance for the year was most significant in the General Fund – an increase of \$955,050. 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.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

As the graph on the following page illustrates, the largest portion of General Fund expenditures is for salaries. The District is a service entity and as such is labor intensive.



**TABLE 4
Expenditures by Object for the Fiscal Year Ended June 30, 2012**

Description	2012	2013	% change
Salaries	\$ 10,167,194	\$ 10,000,043	-1.7%
Benefits	3,619,661	3,606,978	-0.4%
Purchased Services	3,236,833	4,069,366	20.5%
Supplies	850,827	870,671	2.3%
Capital Outlay	195,546	1,087,306	82.0%
Total	\$ 18,070,060	\$ 19,634,363	8.7%

General Fund Budgeting Highlights

The 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. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Additionally, the District reviews current actual expenditures and compare those amounts both to prior year actual and to current year budget. Some of the comparisons bear notation:

- ❖ Medicaid reimbursement exceeded budget by approximately \$16,828. Revenues from tuition exceeded budget by \$180,039.40.
- ❖ Budgeted cost for General Supplies exceeded actual expenses by approximately \$40,699. This savings was achieved through the use of cooperative purchasing and district management.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$282,037 and special education budgeted cost exceeded actual expenses by \$217,001.
- ❖ Budgeted tuition cost exceeded actual by approximately \$146,358. The addition of a new special education class enabled some special education students to return to the district.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

- ❖ Budgeted administrative costs exceeded actual by approximately \$45,595. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$28,047 less than budgeted due to the utilization of purchasing through Co-operatives.
- ❖ Overall the budget projected a use of \$618,572 in fund balance where there was an actual addition to fund balance of \$ 955,050.

Capital Assets

At the end of the fiscal year 2013, the School District had \$12,261,987 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 5 shows fiscal year 2013 balances compared to 2012.

TABLE 5
Capital Assets (net of related depreciation) at June 30,

Description	2012	2013
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Construction in progress	528,899	915,796
Buildings & improvements	5,069,477	5,602,098
Equipment	2,502,657	2,565,488
Less: Accumulated Depreciation	(6,525,734)	(6,661,467)
Governmental activities - capital assets, net	\$ 11,361,799	\$ 12,208,415
Business-Type Activities:		
Food Service Equipment	341,876	325,769
Less: Accumulated Depreciation	(264,364)	(272,197)
Business-Type Activities - capital assets, net	77,512	53,572
TOTAL ALL CAPITAL ASSETS, NET	\$ 11,439,311	\$ 12,261,987

Overall capital assets increased \$822,676 from fiscal year 2012 to fiscal year 2013. The increase in capital assets is caused by building renovations and asset purchases.

For more detailed information, please refer to **Note 6** to the Basic Financial Statements.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

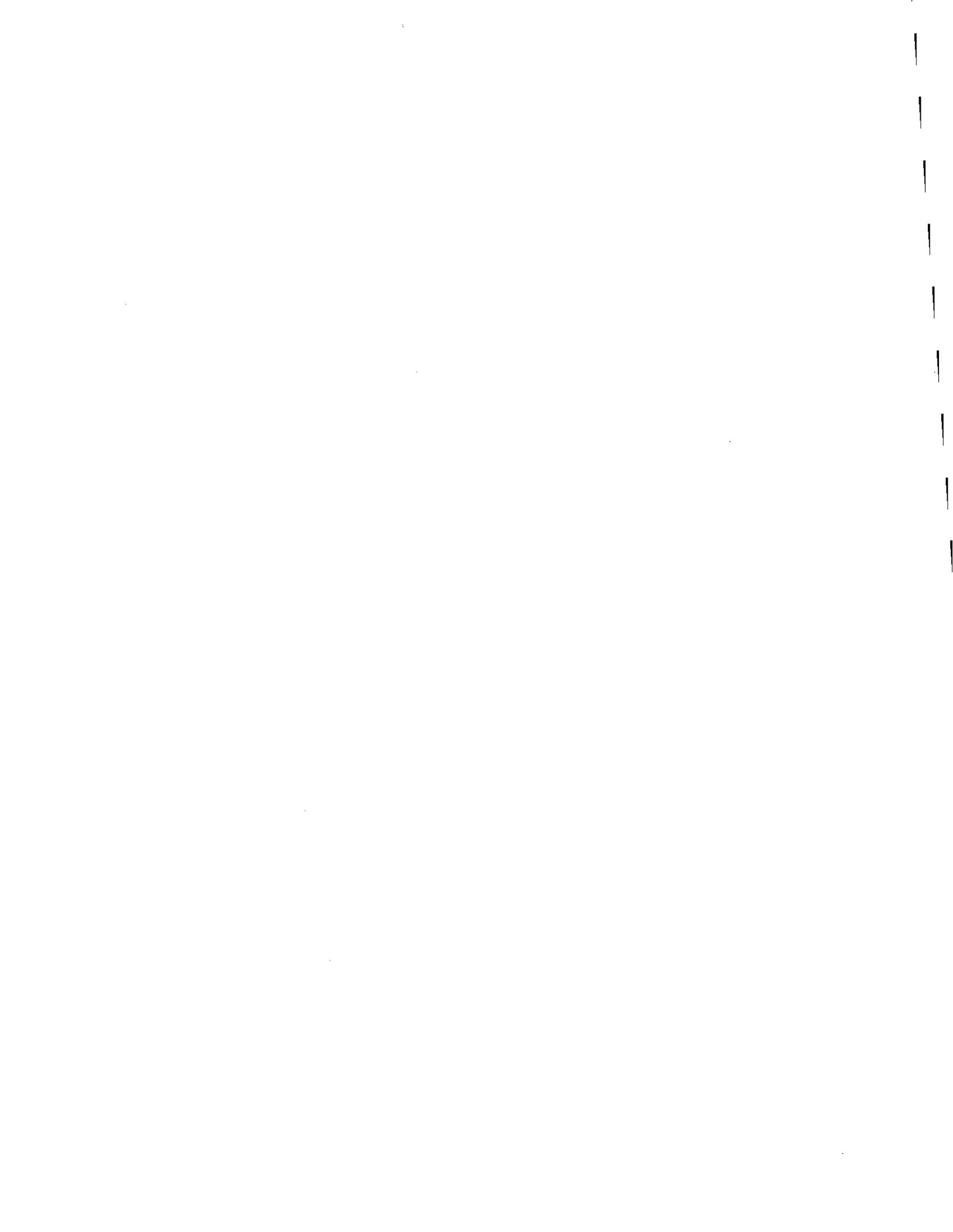
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (Continued)**

The Road Ahead

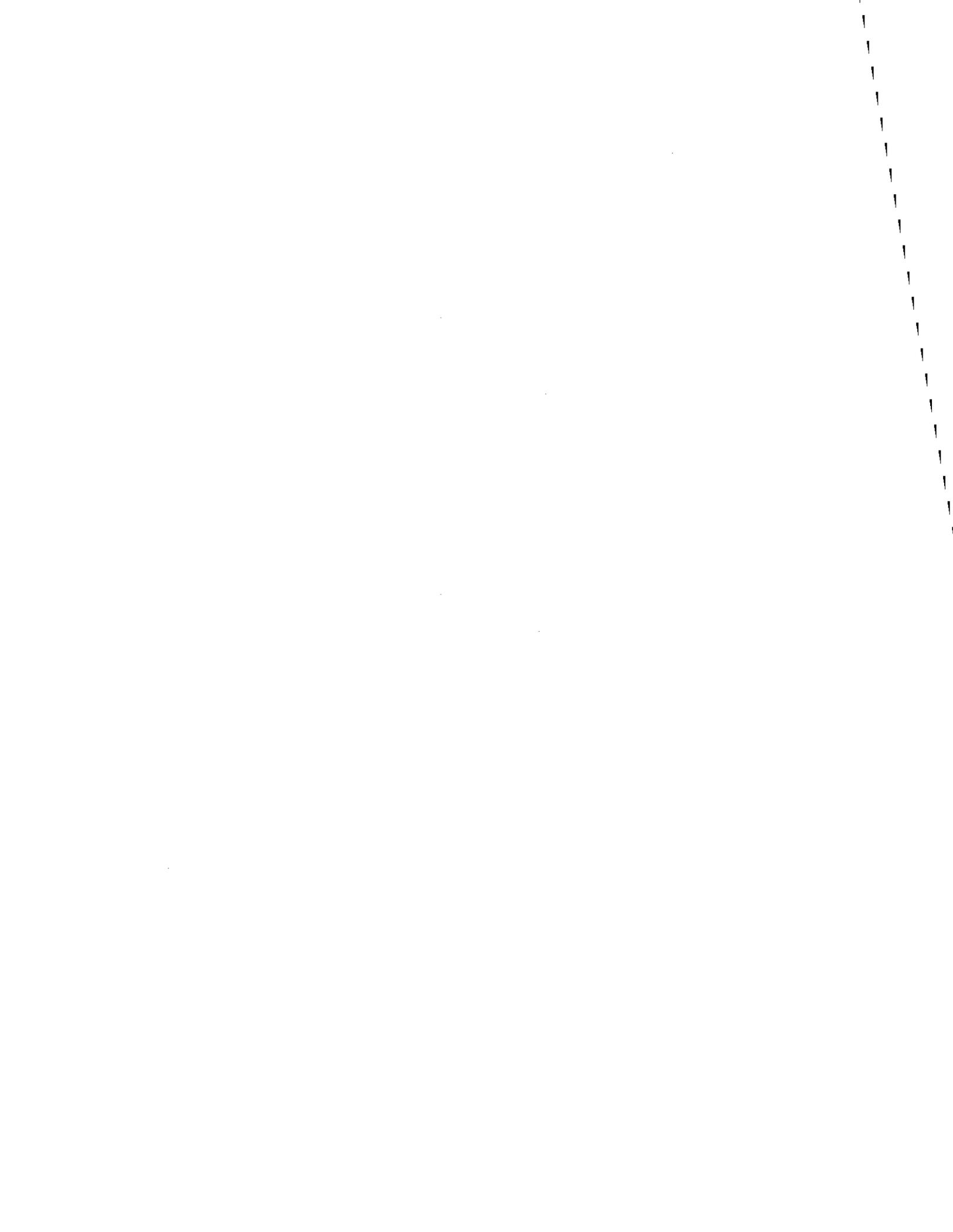
-  The Mount Holly Township School District is presently in good financial condition. The District is proud of its community support of the public schools.
-  It is important that the District continues to support expenditures for capital maintenance of our schools.
-  The Department of Education oversight and regulation is ever increasing. Now more than ever, it is important to have sound policies and procedures in place to ensure that the District is in compliance with emerging State regulations. The Business Office has a Standard Operating Procedures manual to describe in detail the business functions of the school district. Additionally, a district purchasing manual is available in the Business Office for staff reference. These documents will assist the district in meeting its' statutory objectives as well as provide a framework from which to strengthen internal controls and increase efficiencies.
-  The District has plans to increase its participation in shared service and inter-local service agreements over the coming years. The district recently shared service with the Rancocas Valley High School for a Child Study Team Supervisor.
-  The Mount Holly Township redevelopment plan is expected to get underway within the next fiscal year. Mount Holly Township has been in contact with District administrators to discuss the School District's role in the success of that plan. This collaborative process should yield benefits to the district in the form of new jobs, economic stability, and new students.
-  The District administrative team and Board of Education must work diligently to come up with new ideas for revenues and streamline expenditures. In this time of shrinking revenues it is a moral imperative that education be at the forefront of decisions made.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, bond holders, and creditors with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the School Business Administrator at the Mount Holly Township Administration wing of the F.W. Holbein Middle School at 331 Levis Drive, Mount Holly, New Jersey 08060, or please visit our website at www.mtholly.k12.nj.us.



BASIC FINANCIAL STATEMENTS



A. District-Wide Financial Statements

MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 731,939	\$ 88,283	\$ 820,222	\$ 1,067,967
Receivables, Net	691,783	35,100	726,883	462,515
Restricted Assets:				
Cash & Cash Equivalents	3,950,280	-	3,950,280	2,970,980
Capital Assets, Net (Note 6)	12,208,415	53,572	12,261,987	11,439,311
Total Assets	17,582,417	176,955	17,759,372	15,940,773
LIABILITIES				
Accounts Payable	89,998	-	89,998	35,880
Payable to State Government	29,659	-	29,659	2,471
Deferred Revenue	280,462	9,207	289,669	343,474
Noncurrent Liabilities (Note 8):				
Due Within One Year	51,116	-	51,116	51,116
Due Beyond One Year	811,356	-	811,356	910,881
Total Liabilities	1,262,591	9,207	1,271,798	1,343,822
NET POSITION				
Invested in Capital Assets, Net of Related Debt	12,074,204	53,572	12,127,776	11,253,984
Restricted For:				
Other Purposes	4,973,883	-	4,973,883	3,911,564
Unrestricted	(728,261)	114,176	(614,085)	(568,597)
Total Net Position	\$ 16,319,826	\$ 167,748	\$ 16,487,574	\$ 14,596,951

The accompanying Notes to the Financial Statements are an integral part of this statement.

MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
							(MEMORANDUM ONLY)
Governmental Activities:							
Instruction:							
Regular	\$ 5,213,542	\$ -	\$ 833,583	\$ (4,379,959)	\$ -	\$ (4,379,959)	\$ (4,322,816)
Special Education	2,048,603	-	-	(2,048,603)	-	(2,048,603)	(1,882,857)
Other Instruction	450,180	-	-	(450,180)	-	(450,180)	(426,607)
Support Services & Undistributed Costs:							
Tuition	1,365,089	-	-	(1,365,089)	-	(1,365,089)	(1,644,007)
Student & Instruction Related Services	1,878,373	-	335,459	(1,542,914)	-	(1,542,914)	(1,467,268)
General Administrative Services	386,050	-	-	(386,050)	-	(386,050)	(369,892)
School Administrative Services	590,906	-	-	(590,906)	-	(590,906)	(665,447)
Central Services	413,220	-	-	(413,220)	-	(413,220)	(379,328)
Plant Operations & Maintenance	1,743,398	-	-	(1,743,398)	-	(1,743,398)	(1,412,694)
Pupil Transportation	317,491	-	-	(317,491)	-	(317,491)	(302,699)
Unallocated Employee Benefits	4,148,816	-	1,643,685	(2,505,131)	-	(2,505,131)	(3,359,851)
Increase/(Decrease) in Compensated							
Absences - Unallocated	(48,409)	-	-	48,409	-	48,409	(18,081)
Fixed Asset Adjustments	96,346	-	-	(96,346)	-	(96,346)	(290,593)
Reduction of Capital Leases	(51,116)	-	-	51,116	-	51,116	109,453
Unallocated Depreciation & Amortization	135,733	-	-	(135,733)	-	(135,733)	(179,503)
Total Governmental Activities	18,688,222	-	2,812,727	(15,875,495)	-	(15,875,495)	(16,612,190)
Business-Type Activities:							
Food Service	500,447	157,605	338,960	-	(3,882)	(3,882)	(6,593)
Total Business-Type Activities	500,447	157,605	338,960	-	(3,882)	(3,882)	(6,593)

The accompanying Notes to the Financial Statements are an integral part of this statement.

MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2013	JUNE 30, 2012
Total Primary Government	\$ 19,188,669	\$ 157,605	\$ 3,151,687	(15,875,495)	(3,882)	(15,879,377)	(16,618,783)
General Revenues:							
Taxes:							
Taxes Levied for General Purposes				7,300,372	-	7,300,372	7,157,227
Federal & State Aid Not Restricted				10,125,861	-	10,125,861	10,359,703
Adjust to Fixed Assets				-	(6,792)	(6,792)	54,143
Tuition				272,924	-	272,924	86,665
Investment Earnings				3,585	106	3,691	9,435
Miscellaneous Income				73,944	-	73,944	54,167
Total General Revenues, Special Items, Extraordinary Items & Transfers				17,776,686	(6,686)	17,770,000	17,721,340
Change In Net Position				1,901,191	(10,568)	1,890,623	1,102,557
Net Position - Beginning				14,418,635	178,316	14,596,951	13,494,394
Net Position - Ending				\$ 16,319,826	\$ 167,748	\$ 16,487,574	\$ 14,596,951

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B. Fund Financial Statements

Governmental Funds

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 596,411	\$ 135,528	\$ 731,939	\$ 986,796
Intergovernmental Accounts Receivable	445,089	246,354	691,443	407,988
Interfund Receivable	610	-	610	66,631
Restricted Cash & Cash Equivalents	3,950,280	-	3,950,280	2,970,980
Total Assets	\$ 4,992,390	\$ 381,882	\$ 5,374,272	\$ 4,432,395
 LIABILITIES & FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ 270	\$ 270	\$ 42,851
Accounts Payable	18,507	71,491	89,998	35,707
Intergovernmental Account Payable:				
State	-	29,659	29,659	2,471
Deferred Revenue	-	280,462	280,462	332,533
Total Liabilities	18,507	381,882	400,389	413,562
 Fund Balances:				
Restricted for:				
Excess Surplus	630,593	-	630,593	519,616
Capital Reserve Account	2,686,673	-	2,686,673	2,277,373
Emergency Reserve	250,000	-	250,000	250,000
Maintenance Reserve	1,013,607	-	1,013,607	443,607
Excess Surplus - Designated for Subsequent Year's Expenditures	393,010	-	393,010	420,968
Assigned to:				
Designated by the BOE for Subsequent Year's Expenditures	-	-	-	107,269
Unassigned:				
General Fund	-	-	-	-
Total Fund Balances	4,973,883	-	4,973,883	4,018,833
Total Liabilities & Fund Balances	\$ 4,992,390	\$ 381,882		

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,869,882 and the accumulated depreciation is \$6,661,467.

12,208,415 11,361,799

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 8)

(862,472) (961,997)

Net Position of Governmental Activities

\$ 16,319,826 \$ 14,418,635

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS	
			(MEMORANDUM ONLY)	
			JUNE 30, 2013	JUNE 30, 2012
Revenues:				
Local Sources:				
Local Tax Levy	\$ 7,300,372	\$ -	\$ 7,300,372	\$ 7,157,227
Tuition Charges	272,924	-	272,924	86,665
Interest Earned	3,585	-	3,585	8,938
Miscellaneous	46,144	27,800	73,944	54,167
Total Local Sources	7,623,025	27,800	7,650,825	7,306,997
State Sources	11,726,121	136,267	11,862,388	10,719,825
Federal Sources	71,225	1,004,975	1,076,200	1,306,874
Total Revenues	19,420,371	1,169,042	20,589,413	19,333,696
Expenditures:				
Instruction:				
Regular	\$ 4,382,072	\$ 831,470	\$ 5,213,542	\$ 5,214,002
Special Education	2,048,603	-	2,048,603	1,882,857
Other Instruction	450,180	-	450,180	426,607
Support Services & Undistributed Costs:				
Tuition	1,365,089	-	1,365,089	1,644,007
Student & Instruction Related				
Services	1,542,914	335,459	1,878,373	1,693,995
General Administrative Services	386,050	-	386,050	369,892
School Administrative Services	590,906	-	590,906	665,447
Central Services	404,609	-	404,609	353,380
Plant Operations & Maintenance	1,743,398	-	1,743,398	1,412,694
Pupil Transportation	317,491	-	317,491	302,699
Unallocated Employee Benefits	4,148,816	-	4,148,816	3,908,934
Capital Outlay	1,085,193	2,113	1,087,306	195,546
Total Expenditures	18,465,321	1,169,042	19,634,363	18,070,060
Net Change in Fund Balances	955,050	-	955,050	1,263,636
Fund Balance - July 1	4,018,833	-	4,018,833	2,755,197
Fund Balance - June 30	\$ 4,973,883	\$ -	\$ 4,973,883	\$ 4,018,833

The accompanying Notes to the Financial Statements are an integral part of this statement.

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 955,050

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 expense.
This is the amount by which capital outlays exceeded depreciation
in the period:

Depreciation Expense	\$	(135,733)	
Deletions & Adjustments		(96,346)	
Capital Outlay		1,078,695	846,616

Repayment of capital lease principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the statement of
net assets and is not reported in the statement of activities. 51,116

Increase of compensated absences is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position and
is not reported in the statement of activities.

Current Year		(728,261)	
Prior Year		776,670	48,409

Change in Net Position of Governmental Activities \$ 1,901,191



Proprietary Funds

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND	TOTALS	
	FOOD SERVICE FUND	JUNE 30, 2013	JUNE 30, 2012
	(MEMORANDUM ONLY)		
Current Assets:			
Cash	\$ 88,283	\$ 88,283	\$ 81,171
Intergovernmental Accounts Receivables	22,720	22,720	14,235
Accounts Receivables - Other	399	399	1,748
Inventories	11,981	11,981	14,764
Total Current Assets	<u>123,383</u>	<u>123,383</u>	<u>111,918</u>
Fixed Assets:			
Equipment	325,769	325,769	341,876
Less: Accumulated Depreciation	<u>(272,197)</u>	<u>(272,197)</u>	<u>(264,364)</u>
Total Fixed Assets	<u>53,572</u>	<u>53,572</u>	<u>77,512</u>
Total Assets	<u>176,955</u>	<u>176,955</u>	<u>189,430</u>
LIABILITIES			
Accounts Payable	-	-	173
Deferred Revenue	9,207	9,207	10,941
Total Liabilities	<u>9,207</u>	<u>9,207</u>	<u>11,114</u>
NET POSITION			
Invested in Capital Assets	53,572	53,572	77,512
Unreserved Retained Earnings	<u>114,176</u>	<u>114,176</u>	<u>100,804</u>
Total Net Position	<u>\$ 167,748</u>	<u>\$ 167,748</u>	<u>\$ 178,316</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE		TOTALS	
	FUND	(MEMORANDUM ONLY)		
	FOOD SERVICE FUND	JUNE 30, 2013	JUNE 30, 2012	
Operating Revenues:				
Local Sources:				
Daily Sales - Reimbursable Programs:	\$ 83,058	\$ 83,058	\$ 86,849	
Daily Sales Non-Reimbursable Programs	25,149	25,149	14,773	
Satellite Lunch Program - Westampton	35,039	35,039	37,409	
Special Functions	14,359	14,359	19,217	
	<u>157,605</u>	<u>157,605</u>	<u>158,248</u>	
Total Operating Revenues				
Operating Expenses:				
Salaries and Benefits	188,287	188,287	180,934	
Supplies & Materials	14,738	14,738	17,531	
Depreciation	17,148	17,148	19,238	
Management Fee	16,275	16,275	15,825	
Cost of Sales	247,815	247,815	222,939	
Direct Services	16,184	16,184	10,784	
	<u>500,447</u>	<u>500,447</u>	<u>467,251</u>	
Total Operating Expenses				
Operating Income/(Loss)	<u>(342,842)</u>	<u>(342,842)</u>	<u>(309,003)</u>	
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	5,824	5,824	5,788	
Federal Sources:				
National School Lunch Program	242,180	242,180	225,803	
National School Breakfast Program	53,133	53,133	36,409	
Special Milk Program	1,390	1,390	1,422	
Food Distribution Program	32,106	32,106	32,988	
Healthy Hungry Kids Act	4,327	4,327	-	
Gain/(Loss) on Adjustment to Fixed Assets	(6,792)	(6,792)	54,143	
Interest Revenue	106	106	497	
	<u>332,274</u>	<u>332,274</u>	<u>357,050</u>	
Total Nonoperating Revenues/(Expenses)				
Net Income/(Loss)	(10,568)	(10,568)	48,047	
Net Position - July 1	178,316	178,316	130,269	
	<u>167,748</u>	<u>167,748</u>	<u>178,316</u>	
Net Position - June 30				

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE		
	FUND	TOTALS	
	FOOD SERVICE FUND	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 157,220	\$ 157,220	\$ 169,411
Payments to Employees	(188,287)	(188,287)	(180,934)
Payments to Suppliers	(260,296)	(260,296)	(236,255)
Net Cash Provided/(Used) by Operating Activities	(291,363)	(291,363)	(247,778)
Cash Flows From Noncapital Financing Activities:			
Cash Received from State & Federal Reimbursements	298,369	298,369	268,611
Net Cash Provided/(Used) by Noncapital Financing Activities	298,369	298,369	268,611
Cash Flows From Investing Activities:			
Interest & Dividends	106	106	497
Net Cash Provided/(Used) by Investing Activities	106	106	497
Net Increase/(Decrease) in Cash & Cash Equivalents	7,112	7,112	21,330
Balances - Beginning of Year	81,171	81,171	59,841
Balances - End of Year	\$ 88,283	\$ 88,283	\$ 81,171

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (342,842)	\$ (342,842)	\$ (309,003)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	17,148	17,148	19,238
Food Distribution Program	32,106	32,106	32,988
(Increase)/Decrease in Receivables	1,349	1,349	222
(Increase)/Decrease in Inventories	2,783	2,783	(2,305)
Increase/(Decrease) in Accounts Payable	(173)	(173)	141
Increase/(Decrease) in Deferred Revenues	(1,734)	(1,734)	10,941
Total Adjustments	51,479	51,479	61,225
Net Cash Provided/(Used) by Operating Activities	\$ (291,363)	\$ (291,363)	\$ (247,778)

The accompanying Notes to the Financial Statements are an integral part of this statement.



Fiduciary Fund

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUND	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 262,829	\$ 11,282	\$ 274,111	\$ 404,961
Total Assets	262,829	11,282	274,111	404,961
LIABILITIES				
Payroll Deductions & Withholdings	-	637	637	1,211
Interfund Payable	-	340	340	23,780
Account Payable	4,411	-	4,411	-
Due to Student Groups	-	10,305	10,305	9,175
Total Liabilities	4,411	11,282	15,693	34,166
NET POSITION				
Reserve for Unemployment Compensation	258,418	-	258,418	370,795
Total Net Position	\$ 258,418	\$ -	\$ 258,418	\$ 370,795

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE	TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
ADDITIONS:			
Contributions:			
General Fund Appropriation	\$ -	\$ -	\$ 380,000
Employee Contributions	15,237	15,237	9,467
Total Contributions	15,237	15,237	389,467
Investment Earnings:			
Interest	368	368	1,077
Net Investment Earnings	368	368	1,077
Total Additions	15,605	15,605	390,544
DEDUCTIONS:			
Unemployment Claims	127,982	127,982	20,082
Total Deductions	127,982	127,982	20,082
Change in Net Position	(112,377)	(112,377)	370,462
Net Position - July 1	370,795	370,795	333
Net Position - June 30	\$ 258,418	\$ 258,418	\$ 370,795

The accompanying Notes to the Financial Statements are an integral part of this statement.

**MOUNT HOLLY SCHOOL DISTRICT
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Mount Holly School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented these standards beginning with fiscal year-ending June 30, 2003. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2013.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (Memorandum Only).

A. Reporting Entity

The Mount Holly School District is a Type II District located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a School District. The Board is comprised of 5 members elected to three-year terms. These terms are staggered so that members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as, special education for handicapped youngsters. The District is comprised of three elementary schools located in Mount Holly. The Mount Holly School District has an approximate enrollment at June 30, 2013 of 1,040 students.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued):

A. Reporting Entity (continued):

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:

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

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

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net position and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 – The 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 year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting

The accounts of the Mount Holly School District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Mount Holly School 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 Department of Education, Mount Holly School District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings 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 Special Revenue Fund is used to account for the proceeds of specific revenue 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.

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).

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.

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 - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed 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 cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

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:

Food Service Fund:	
Equipment	5-7 Years
Light Trucks & Vehicle	7 Years
Heavy Trucks & Vehicle	7 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued):

E. Basis of Accounting (continued):

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Mount Holly School 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 Mount Holly School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. 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 are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the School District members are elected at the November general election. 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 *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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 accounting principles generally accepted in the United States of America 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control (continued):

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.

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

G. 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 Mount Holly School 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.

H. Cash and Cash Equivalents

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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

H. Cash and Cash Equivalents (continued):

N.J.S.A.17:9-41 et. 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 savings 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.

I. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Mount Holly School District and that are due within one year.

J. Fixed Assets

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively. General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Site Improvements	10-20 Years
Building & Building Improvements	10-20 Years
Furniture & Equipment	5-20 Years
Vehicles	5-20 Years
Infrastructure	30 Years

K. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2013 for such salaries.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies (continued):

L. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

M. Deferred Revenue

Deferred revenue in the general and special revenue funds represents cash, which has been received but not yet earned.

N. Long-Term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

O. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Mount Holly School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1. Summary of Significant Accounting Policies (continued):

O. Fund Equity (continued):

The Mount Holly School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Mount Holly School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

P. Subsequent Events:

Mount Holly School District has evaluated subsequent events occurring after June 30, 2013 through the date of September 10, 2013, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit limitations of New Jersey state law. The Deposits held at June 30, 2013 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 5,044,613
Total Deposits	<u>\$ 5,044,613</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 4,682,219
Business-Type Activities	88,283
Fiduciary Funds	<u>274,111</u>
Total Cash and Cash Equivalents	<u>\$ 5,044,613</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does have a deposit policy for custodial credit risk. As of June 30, 2013, the District's bank balance of \$6,132,028 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>5,882,028</u>
Total	<u>\$6,132,028</u>

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2013 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Reserve Accounts

A. Capital Reserve Account

The capital reserve account was established by the District for the accumulation for 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 District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the June 30, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 2,277,373
Increase from transfer from Unreserved Fund Balance	1,435,000
Budget Withdrawls for Capital Expenditures	<u>(1,025,700)</u>
Ending Balance, June 30, 2013	<u>\$ 2,686,673</u>

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 4. Reserve Accounts (continued):

B. Maintenance Reserve Account

Mount Holly School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$1,013,607 at June 30, 2013.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

The activity of the maintenance reserve for the June 30, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 443,607
Increase from transfer from Unreserved Fund Balance	<u>570,000</u>
Ending Balance, June 30, 2013	<u>\$ 1,013,607</u>

C. Emergency Reserve Account

Mount Holly School District established an Emergency Reserve Account for the accumulation of funds for use to finance unanticipated general fund expenditures required for a thorough and efficient education. The Maintenance Reserve Account is maintained in the general fund and has a balance of \$250,000 at June 30, 2013.

A district may increase the balance in the emergency reserve by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The maximum balance permitted at any time in the emergency reserve is the greater of \$250,000 or 1 percent of the general fund budget, not too exceed \$1 million.

The activity of the maintenance reserve for the June 30, 2012 to June 30, 2013 fiscal year is as follows:

Ending Balance, June 30, 2013 & 2012	<u>\$ 250,000</u>
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MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2013, the District transferred \$312,957 to capital outlay accounts.

Note 6. Fixed Assets

The following schedule is a summarization of the general fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2013:

Governmental Activities:

	June 30, 2012	Additions	Deletions	June 30, 2013
Land	\$ 9,786,500	\$ -	\$ -	\$ 9,786,500
Site & Buildings	5,598,376	3,722	-	5,602,098
Machinery & Equipment	2,502,657	159,177	(96,346)	2,565,488
Construction in Progress	-	915,796	-	915,796
Subtotal	17,887,533	1,078,695	(96,346)	18,869,882
Accumulated Depreciation	(6,525,734)	(173,115)	37,382	(6,661,467)
Total	<u>\$ 11,361,799</u>	<u>\$ 905,580</u>	<u>\$ (58,964)</u>	<u>\$ 12,208,415</u>

Business-Type Activities:

	June 30, 2012	Additions	Deletions	June 30, 2013
Machinery & Equipment	\$ 341,876	\$ -	\$ (16,107)	\$ 325,769
Subtotal	341,876	-	(16,107)	325,769
Accumulated Depreciation	(264,364)	(17,148)	9,315	(272,197)
Total	<u>\$ 77,512</u>	<u>\$ (17,148)</u>	<u>\$ (6,792)</u>	<u>\$ 53,572</u>

Note 7. Receivables

Receivables at June 30, 2013 consisted of tuition fees charged other governmental units and governmental grants. All receivables are considered collectable in full due to the stable condition of the other governmental units, State programs and the current year guarantee of federal funds.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 7. Receivables (continued):

Receivables as of year-end for the School District's individual major and proprietary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
State Aid	\$ 328,226	\$ -	\$ 416	\$ 328,642
Federal Aid	24,773	246,354	22,304	293,431
Other	92,090	-	399	92,489
Total	\$ 445,089	\$ 246,354	\$ 23,119	\$ 714,562

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2013 the following changes occurred in long-term obligations:

	June 30, 2012	Accrued/ Increases	Retired/ Decreases	June 30, 2013	Due Within One Year
Compensated Absences Payable	\$ 776,670	\$ -	\$ (48,409)	\$ 728,261	\$ -
Capital Lease Payable	185,327	-	(51,116)	134,211	51,116
Total	\$ 961,997	\$ -	\$ (99,525)	\$ 862,472	\$ 51,116

Obligations Under Capital Leases

The District is leasing copiers totaling \$294,780 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2013:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8. Long-Term Obligations (continued):

Obligations Under Capital Leases (continued):

Year-ending June 30,	Amount
2014	\$ 58,956
2015	58,956
2016	<u>24,565</u>
Total Minimum Lease Payments	142,477
Less: Amount Representing Interest	<u>(8,266)</u>
Present Value of Lease Payments	<u>\$ 134,211</u>

Note 9. Pension Plans

Plan Descriptions - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established in January 1955, under the provisions of *N.J.S.A.18A:66* to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of *N.J.S.A.43:15A* to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 9. Pension Plans (continued):

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A. 43:15A* and *43.3B* and *N.J.S.A. 18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Significant Legislation below.

Significant Legislation – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development 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. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio". Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 9. Pension Plans (continued):

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation, as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 190,501	100%	-
6/30/2012	217,500	100%	-
6/30/2011	189,874	100%	-

**Three-Year Trend Information for TPAF Pension & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 1,082,929	100%	-
6/30/2012	N/A*	100%	-
6/30/2011	526,397	100%	-

During the year ended June 30, 2013 the State of New Jersey contributed \$1,082,929 to the TPAF for normal and post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$560,756 for the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the Basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

*Not Available - See Note 20.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of 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 P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a School District or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

Note 11. 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 all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the “Statistical Section” of the report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey 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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	Distict Contributions	Employee Contributions	Interest	Claims	Ending Balance
2012-2013	\$ -	\$ 15,237	\$ 368	\$ 127,982	\$ 258,418
2011-2012	380,000	9,467	1,077	20,082	370,795
2010-2011	-	-	333	53,669	333

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 12. Contingencies

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined statements for such contingencies.

Note 13. Economic Dependency

The District participates in numerous state and federal grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material. The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operation is not yet determinable.

Note 14. Fund Balance Disclosures

General Fund – of the \$4,973,883 General Fund fund balance at June 30, 2013, \$2,686,673 has been restricted for the Capital Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$1,013,607 has been restricted for the Maintenance Reserve Account; \$393,010 is restricted for excess surplus designated for subsequent years expenditures; \$630,593 is restricted for excess surplus; \$-0- is assigned to designated by the School District for subsequent year's expenditures, \$-0- is assigned to other purposes and \$-0- is unassigned.

Note 15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2013:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 610	\$ -
Special Revenue Fund	-	270
Trust & Agency Fund	-	340
	\$ 610	\$ 610
Total	\$ 610	\$ 610

The purpose of the interfunds are for short-term borrowings.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 16. Deferred Compensation

The District 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, permits 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 District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchases with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Lincoln Investments

Equitable

Note 17. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2013 is \$728,261.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 no liability existed for compensated absences in the proprietary fund types.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED JUNE 30, 2013

Note 18. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(728,261) existed as of June 30, 2013 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last state aid payment and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Calculation of Excess Surplus

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict 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 \$630,593.

Note 20. TPAF Contributions

Due to a paperwork error in 2010, the Mount Holly School District did not have their pension information submitted to the Department of Treasury within the time frame necessary to be included in the July 1, 2010 actuarial valuation. The actuarial valuation performed on July 1, 2010 determines the contribution requirements for all school districts for the 2012 fiscal year. While the District was not included in this valuation and has no amount to report during 2012, employee's pension is not effected in anyway and there is no net effect on the District's June 30, 2012 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules



MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$ 7,300,372	\$ -	\$ 7,300,372	\$ 7,300,372	\$ -	\$ 7,157,227	\$ -	\$ 7,157,227	\$ 7,157,227	\$ -
Interest on Capital Reserve	10-1XXX	2,000	-	2,000	3,585	1,585	2,000	-	2,000	8,938	6,938
Tuition	10-1300	-	-	-	272,924	272,924	-	-	-	86,665	86,665
Unrestricted Miscellaneous	10-1XXX	10,000	-	10,000	46,144	36,144	8,059	-	8,059	48,984	40,925
Total Local Sources		7,312,372	-	7,312,372	7,623,025	310,653	7,167,286	-	7,167,286	7,301,814	134,528
State Sources:											
Categorical Transportation Aid	10-3121	130,598	-	130,598	130,598	-	135,776	-	135,776	135,776	-
Categorical Special Education Aid	10-3132	526,591	-	526,591	526,591	-	494,395	-	494,395	494,395	-
Equalization Aid	10-3176	7,809,619	-	7,809,619	7,809,619	-	7,717,973	-	7,717,973	7,717,973	-
Categorical Security Aid	10-3177	255,919	-	255,919	255,919	-	254,948	-	254,948	254,948	-
Adjustment Aid	10-3178	1,059,003	-	1,059,003	1,059,003	-	1,145,394	-	1,145,394	1,323,754	178,360
Extraordinary Aid	10-3131	11,500	-	11,500	83,185	71,685	11,500	-	11,500	78,086	66,586
Other State Aid - Homeless Reimbursement	10-3xxx	-	-	-	203,897	203,897	-	-	-	31,610	31,610
Nonpublic School Transportation		-	-	-	4,176	4,176	-	-	-	3,828	3,828
Nonbudgeted:											
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	574,690	574,690	-	-	-	-	-
On-Behalf TPAF Pension Contributions		-	-	-	508,239	508,239	-	-	-	-	-
Reimbursed TPAF Social Security Contributions		-	-	-	560,756	560,756	-	-	-	549,083	549,083
Total State Sources		9,793,230	-	9,793,230	11,716,673	1,923,443	9,759,986	-	9,759,986	10,589,453	829,467
Federal Sources:											
Education Jobs Fund	18-4522	-	892	892	892	-	346,682	10,861	357,543	357,543	-
Medicaid Reimbursement	10-4200	29,623	-	29,623	70,333	40,710	28,926	-	28,926	63,460	34,534
Total Federal Services		29,623	892	30,515	71,225	40,710	375,608	10,861	386,469	421,003	34,534
Total Revenues		17,135,225	892	17,136,117	19,410,923	2,274,806	17,302,880	10,861	17,313,741	18,312,270	998,529

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MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Expenditures:											
Instruction:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Pre-Kindergarten	11-105-100-101	-	70,648	70,648	57,275	13,373	-	2,364	2,364	-	2,364
Kindergarten	11-110-110-101	363,187	1,783	364,970	326,892	38,078	352,761	(4,405)	348,356	312,256	36,100
Grades 1 - 5	11-120-100-101	2,091,340	(120,948)	1,970,392	1,889,153	81,239	2,112,611	(113,144)	1,999,467	1,813,383	186,084
Grades 6 - 8	11-130-100-101	1,618,019	(142,185)	1,475,834	1,382,745	93,089	1,468,444	63,018	1,531,462	1,445,909	85,553
Regular Programs - Home Instruction:											
Salaries of Teachers	11-150-100-101	10,000	-	10,000	8,920	1,080	7,000	189	7,189	7,189	-
Purchased Professional & Educational Services	11-150-100-320	3,000	12,480	15,480	13,071	2,409	1,500	332	1,832	1,831	1
Regular Programs - Undistributed:											
Other Salaries for Instruction	11-190-100-106	199,304	4,477	203,781	180,625	23,156	205,286	(15,892)	189,394	181,880	7,514
Purchased Professional & Educational Services	11-190-100-320	171,212	60,771	231,983	225,881	6,102	207,600	1,688	209,288	203,097	6,191
Purchased Technical Services	11-190-100-340	22,350	1,458	23,808	22,074	1,734	32,588	(1,310)	31,278	31,277	1
Other Purchased Services	11-190-100-500	69,785	(4,973)	64,812	56,804	8,008	66,535	209	66,744	64,837	1,907
General Supplies	11-190-100-610	144,020	11,334	155,354	154,366	988	178,841	24,188	203,029	199,518	3,511
Textbooks	11-190-100-640	32,424	(6,530)	25,894	20,814	5,080	5,483	90,909	96,392	93,757	2,635
Other Objects	11-190-100-800	-	1,300	1,300	222	1,078	-	-	-	-	-
Regular Programs - Employee Benefits:											
Health Benefits	11-1xx-100-270	21,830	-	21,830	21,830	-	-	-	-	-	-
Tuition Reimbursement	11-1xx-100-280	27,000	-	27,000	21,400	5,600	-	-	-	-	-
Total Instruction - Regular Programs		4,773,471	(110,385)	4,663,086	4,382,072	281,014	4,638,649	48,146	4,686,795	4,354,934	331,861
Special Education:											
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	191,192	94,320	285,512	285,160	352	62,575	73,785	136,360	132,009	4,351
Other Salaries for Instruction	11-212-100-106	67,641	8,921	76,562	52,716	23,846	19,642	12,001	31,643	30,695	948
Purchased Professional & Educational Services	11-212-100-320	141,000	(9,154)	131,846	118,807	13,039	23,100	-	23,100	23,100	-
General Supplies	11-212-100-610	450	3,351	3,801	3,338	463	-	-	-	-	-
Other Objects	11-212-100-800	50	-	50	50	50	-	-	-	-	-
Total Multiple Disabilities		400,333	97,438	497,771	460,021	37,750	105,317	85,786	191,103	185,804	5,299
Resource Room/Center:											
Salaries of Teachers	11-213-100-101	1,604,588	(244,956)	1,359,632	1,312,390	47,242	1,611,858	(128,408)	1,483,450	1,410,291	73,159
Other Salaries for Instruction	11-213-100-106	184,127	16,143	200,270	168,191	32,079	204,277	(23,318)	180,959	176,977	3,982
Purchased Professional & Educational Services	11-213-100-320	54,000	(5,000)	49,000	30,988	18,012	49,500	(441)	49,059	49,000	59
General Supplies	11-213-100-610	2,196	50	2,246	526	1,720	2,196	(1,500)	696	531	165
Other Objects	11-213-100-800	423	1	424	100	324	324	(259)	65	65	65
Total Resource Room/Center		1,845,334	(233,762)	1,611,572	1,512,195	99,377	1,868,155	(153,926)	1,714,229	1,636,799	77,430

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Preschool Disabilities - Part Time:											
Salaries of Teachers	11-215-100-101	50,461	248	50,709	49,482	1,227	-	1,091	1,091	-	1,091
Other Salaries for Instruction	11-215-100-106	11,988	58	12,046	8,945	3,101	-	259	259	-	259
Purchased Professional & Educational Services	11-215-100-320	-	3,500	3,500	1,303	2,197	-	-	-	-	-
General Supplies	11-215-100-600	-	199	199	195	4	-	-	-	-	-
Total Preschool Disabilities - Part Time		62,449	4,005	66,454	59,925	6,529	-	1,350	1,350	-	1,350
Preschool Disabilities - Full Time:											
Salaries of Teachers	11-216-100-101	-	-	-	-	-	-	49,369	49,369	48,502	867
Other Salaries for Instruction	11-216-100-106	-	-	-	-	-	-	11,752	11,752	11,752	-
Total Preschool Disabilities - Full Time		-	-	-	-	-	-	61,121	61,121	60,254	867
Employee Benefits - Special Education:											
Health Benefits	11-2xx-100-270	10,870	-	10,870	10,462	408	-	-	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	-	13,000	6,000	7,000	-	-	-	-	-
Total Employee Benefits - Special Education		23,870	-	23,870	16,462	7,408	-	-	-	-	-
Total Special Education		2,331,986	(132,319)	2,199,667	2,048,603	151,064	1,973,472	(5,669)	1,967,803	1,882,857	84,946
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	-	67,187	67,187	20,752	46,435	-	4,725	4,725	-	4,725
Purchased Professional & Educational Services	11-230-100-320	-	5,000	5,000	1,211	3,789	-	-	-	-	-
Total Basic Skills/Remedial		-	72,187	72,187	21,963	50,224	-	4,725	4,725	-	4,725
Bilingual Education:											
Salaries of Teachers	11-240-100-101	169,071	830	169,901	158,004	11,897	165,756	(6,573)	159,183	155,436	3,747
Purchased Professional & Educational Services	11-240-100-320	1,000	5,000	6,000	2,375	3,625	1,000	646	1,646	1,591	55
General Supplies	11-240-100-610	500	-	500	311	189	500	-	500	265	235
Total Bilingual Education		170,571	5,830	176,401	160,690	15,711	167,256	(5,927)	161,329	157,292	4,037
School Sponsored Cocurricular Activities:											
Salaries of Teachers	11-401-100-101	157,230	3,442	160,672	150,129	10,543	152,911	15,509	168,420	145,802	22,618
Purchased Services	11-401-100-500	500	4,705	5,205	5,205	-	16,888	9,296	26,184	22,286	3,898
Supplies and Materials	11-401-100-600	11,050	(4,279)	6,771	6,724	47	14,100	(8,129)	5,971	5,401	570
Other Objects	11-401-100-800	4,300	420	4,720	4,590	130	-	-	-	-	-
Total School Sponsored Cocurricular Activities		173,080	4,288	177,368	166,648	10,720	183,899	16,676	200,575	173,489	27,086
School Sponsored Athletics:											
Salaries of Teachers	11-402-100-100	15,714	-	15,714	15,240	474	14,460	(2,474)	11,986	10,769	1,217
Purchased Services	11-402-100-500	-	-	-	-	-	2,500	(1,045)	1,455	1,130	325
Supplies and Materials	11-402-100-600	-	-	-	-	-	-	2,298	2,298	2,298	-
Total School Sponsored Athletics		15,714	-	15,714	15,240	474	16,960	(1,221)	15,739	14,197	1,542

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MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Instructional Programs:											
Salaries of Teachers	11-403-100-101	82,949	(1,593)	81,356	80,698	658	81,323	2,474	83,797	79,728	4,069
Supplies and Materials	11-403-100-600	2,305	-	2,305	1,941	364	3,305	(588)	2,717	1,524	1,193
Total Other Instructional Programs		85,254	(1,593)	83,661	82,639	1,022	84,628	1,886	86,514	81,252	5,262
Before & After School Programs:											
Salaries of Teachers	11-421-100-101	-	-	-	-	-	4,000	-	4,000	-	4,000
Purchased Professional & Technical Services	11-421-100-300	-	3,000	3,000	3,000	-	4,000	(150)	3,850	-	3,850
Supplies and Materials	11-421-100-600	-	-	-	-	-	4,129	(2,129)	2,000	377	1,623
Total Before & After School Programs		-	3,000	3,000	3,000	-	12,129	(2,279)	9,850	377	9,473
Support Services:											
Tuition:											
Tuition to Other LEA's - Within State Regular	11-000-100-561	71,518	(9,500)	62,018	53,692	8,326	94,367	12,286	106,653	106,653	-
Tuition to Other LEA's - Within State Special	11-000-100-562	47,616	-	47,616	13,558	34,058	92,158	(19,518)	72,640	50,206	22,434
Tuition to County Special Services & Regular Day Schools	11-000-100-565	1,077,312	(47,000)	1,030,312	1,025,202	5,110	1,223,697	-	1,223,697	1,181,245	42,452
Tuition to Private Schools - Handicapped Within State	11-000-100-566	319,843	51,658	371,501	272,637	98,864	316,622	617	317,239	305,903	11,336
Total Tuition		1,516,289	(4,842)	1,511,447	1,365,089	146,358	1,726,844	(6,615)	1,720,229	1,644,007	76,222
Attendance & Social Work Services:											
Salaries	11-000-211-100	12,708	863	13,571	13,327	244	12,459	-	12,459	10,460	1,999
Other Purchased Services	11-000-211-500	-	-	-	-	-	-	274	274	274	-
Total Attendance & Social Work Services		12,708	863	13,571	13,327	244	12,459	274	12,733	10,734	1,999
Health Services:											
Salaries	11-000-213-100	205,148	6,192	211,340	208,956	2,384	223,585	(15,284)	208,301	200,526	7,775
Purchased Professional & Technical Services	11-000-213-300	10,300	1,000	11,300	10,534	766	9,800	(500)	9,300	9,300	-
Other Purchased Services	11-000-213-500	100	-	100	-	100	100	-	100	20	80
Supplies and Materials	11-000-213-600	3,799	3,623	7,422	7,377	45	2,189	375	2,564	2,564	-
Total Health Services		219,347	10,815	230,162	226,867	3,295	235,674	(15,409)	220,265	212,410	7,855
Speech, OT, PT, Related & Extraordinary Services:											
Salaries	11-000-216-100	255,547	1,054	256,601	248,294	8,307	250,536	615	251,151	245,624	5,527
Purchased Professional & Educational Services	11-000-216-320	7,120	15,000	22,120	4,221	17,899	9,215	(9,215)	-	-	-
Supplies and Materials	11-000-216-600	-	-	-	-	-	800	(800)	-	-	-
Other Objects	11-000-216-800	-	-	-	-	-	100	(100)	-	-	-
Total Speech, OT, PT, Related & Extraordinary Services:		262,667	16,054	278,721	252,515	26,206	260,651	(9,500)	251,151	245,624	5,527
Other Support Services - Students - Extra:											
Salaries	11-000-217-100	-	6,000	6,000	5,758	242	-	21,801	21,801	2,465	19,336
Total Other Support Services - Students - Extra		-	6,000	6,000	5,758	242	-	21,801	21,801	2,465	19,336

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Guidance:											
Salaries of Other Professional Staff	11-000-218-104	255,277	1,253	256,530	248,274	8,256	250,271	206	250,477	239,365	11,112
Supplies and Materials	11-000-218-600	2,125	800	2,925	1,431	1,494	1,825	(261)	1,564	1,540	24
Total Guidance		257,402	2,053	259,455	249,705	9,750	252,096	(55)	252,041	240,905	11,136
Child Study Teams:											
Salaries of Other Professional Staff	11-000-219-104	374,585	(10,027)	364,558	359,819	4,739	365,594	11,098	376,692	368,416	8,276
Salaries of Secretarial & Clerical Assistants	11-000-219-105	52,398	48,573	100,971	97,356	3,615	102,741	4,442	107,183	99,526	7,657
Other Purchased Professional & Technical Services	11-000-219-390	2,900	(150)	2,750	2,409	341	2,900	-	2,900	2,389	511
Miscellaneous Purchased Services	11-000-219-592	8,900	(3,751)	5,149	4,428	721	2,700	(1,101)	1,599	809	790
Supplies and Materials	11-000-219-600	2,600	3,379	5,979	4,385	1,594	3,750	(676)	3,074	726	2,348
Other Objects	11-000-219-800	700	(200)	500	500	500	1,400	(580)	820	820	820
Total Child Study Teams		442,083	37,824	479,907	468,397	11,510	479,085	13,183	492,268	471,866	20,402
Improvement of Instructional Services:											
Salaries of Supervisor of Instruction	11-000-221-102	53,219	(300)	52,919	48,902	4,017	55,437	(9,326)	46,111	44,729	1,382
Salaries of Other Professional Staff	11-000-221-104	31,680	-	31,680	31,520	160	25,137	(1,750)	23,387	15,880	7,507
Salaries of Secretarial & Clerical Assistants	11-000-221-105	26,641	(3,059)	23,582	21,891	1,691	18,721	1,524	20,245	18,587	1,658
Purchased Professional & Educational Services	11-000-221-320	-	1,500	1,500	1,500	-	-	-	-	-	-
Other Purchased Professional & Technical Services	11-000-221-390	15,000	(14,058)	942	495	447	-	-	-	-	-
Other Purchased Services	11-000-221-500	6,807	(1,243)	5,564	4,074	1,490	4,557	(3,146)	1,411	1,186	225
Supplies and Materials	11-000-221-600	2,000	6,564	8,564	6,323	2,241	5,500	(235)	5,265	5,167	98
Other Objects	11-000-221-800	950	-	950	924	26	1,000	(150)	850	849	1
Total Improvement of Instructional Services		136,297	(10,596)	125,701	115,629	10,072	110,352	(13,083)	97,269	86,398	10,871
Educational Media Services - School Library:											
Salaries	11-000-222-100	98,824	(5,993)	92,831	78,746	14,085	96,563	766	97,329	94,986	2,343
Other Purchased Professional & Technical Services	11-000-222-300	-	-	-	-	-	-	820	820	820	-
Supplies and Materials	11-000-222-600	37,307	(2,300)	35,007	33,724	1,283	20,910	4,696	25,606	25,455	151
Other Objects	11-000-222-800	-	-	-	-	-	6,300	(4,800)	1,500	1,500	-
Total Educational Media Services - School Library		136,131	(8,293)	127,838	112,470	15,368	123,773	1,482	125,255	122,761	2,494
Instructional Staff Training Services:											
Salaries of Supervisor of Instruction	11-000-223-102	49,419	243	49,662	48,902	760	45,237	660	45,897	44,828	1,069
Salaries of Secretarial & Clerical Assistants	11-000-223-105	26,641	4,045	30,686	29,387	1,299	18,722	1,520	20,242	18,354	1,888
Purchased Professional & Educational Services	11-000-223-320	10,000	8,330	18,330	18,330	-	10,000	-	10,000	10,000	-

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MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Instructional Staff Training Services:											
Other Purchased Services	11-000-223-500	1,000	500	1,500	1,439	61	750	295	1,045	873	172
Supplies and Materials	11-000-223-600	-	138	138	138	-	-	-	-	-	-
Other Objects	11-000-223-800	50	-	50	50	-	-	50	50	50	-
Total Instructional Staff Training Services		87,110	13,256	100,366	98,246	2,120	74,709	2,525	77,234	74,105	3,129
General Administration:											
Salaries	11-000-230-100	222,502	579	223,081	213,960	9,121	212,828	5,778	218,606	216,146	2,460
Legal Services	11-000-230-331	43,750	3,000	46,750	43,337	3,413	40,250	(1,967)	38,283	35,756	2,527
Audit Services	11-000-230-332	27,500	-	27,500	24,000	3,500	26,100	(2,600)	23,500	23,500	-
Architectural/Engineering Services	11-000-230-334	4,000	19,000	23,000	19,818	3,182	2,500	6,270	8,770	770	8,000
Other Purchased Professional Services	11-000-230-339	4,000	(2,000)	2,000	-	2,000	3,300	(2,270)	1,030	-	1,030
Communications/Telephone	11-000-230-530	84,200	(19,031)	65,169	44,107	21,062	84,800	(3,491)	81,309	57,754	23,555
BOE Other Purchased Services	11-000-230-585	-	-	5,300	2,863	2,437	4,350	(1,397)	2,953	1,563	1,390
Other Purchased Services	11-000-230-590	23,007	-	23,007	18,517	4,490	20,907	(2,250)	18,657	15,389	3,268
Supplies & Materials	11-000-230-610	5,350	22	5,372	5,254	118	5,500	2,047	7,547	7,513	34
BOE In-House Training/Supplies	11-000-230-630	1,000	-	1,000	355	645	500	-	500	500	-
Judgements Against District	11-000-230-820	-	-	-	-	-	-	130	130	129	1
Miscellaneous Expenditures	11-000-230-890	1,914	-	1,914	1,594	320	1,914	1,000	2,914	1,658	1,256
BOE Membership Dues & Fees	11-000-230-895	10,235	2,500	12,735	12,245	490	10,235	870	11,105	9,714	1,391
Total General Administration		432,758	4,070	436,828	386,050	50,778	413,184	2,120	415,304	369,892	45,412
School Administration:											
Salaries of Principals/Assistants Principals	11-000-240-103	390,875	10,409	401,284	387,824	13,460	361,264	34,072	395,336	382,075	13,261
Salaries of Secretarial & Clerical Assistants	11-000-240-105	207,693	5,346	213,039	180,039	33,000	279,688	4,260	283,948	274,399	9,549
Purchased Professional & Technical Services	11-000-240-300	-	2,852	2,852	-	2,852	-	-	-	-	-
Other Purchased Services	11-000-240-500	900	295	1,195	370	825	1,650	(1,353)	297	17	280
Supplies & Materials	11-000-240-600	14,500	9,066	23,566	19,323	4,243	11,700	(1,484)	10,216	6,054	4,162
Other Objects	11-000-240-800	4,300	(50)	4,250	3,350	900	3,900	(998)	2,902	2,902	-
Total School Administration		618,268	27,918	646,186	590,906	55,280	658,202	34,497	692,699	665,447	27,252
Central Services:											
Salaries	11-000-251-100	250,218	4,715	254,933	253,124	1,809	244,812	3,271	248,083	244,513	3,570
Purchased Professional Services	11-000-251-330	9,050	605	9,655	9,610	45	12,790	70	12,860	12,245	615
Miscellaneous Purchased Services	11-000-251-592	11,357	(4,400)	6,957	5,697	1,260	10,607	(2,486)	8,121	7,522	599
Supplies & Materials	11-000-251-600	8,545	-	8,545	7,755	790	8,115	(852)	7,263	6,742	521
Miscellaneous Expenditures	11-000-251-890	1,620	-	1,620	1,478	142	1,720	2,250	3,970	2,121	1,849
Total Central Services		280,790	920	281,710	277,664	4,046	278,044	2,253	280,297	273,143	7,154
Admin Info Technology:											
Salaries	11-000-252-100	50,460	(4,225)	46,235	45,010	1,225	-	702	702	-	702
Purchased Technical Services	11-000-252-340	56,428	9,437	65,865	65,791	74	56,528	(291)	56,237	54,987	1,250
Supplies & Materials	11-000-252-600	15,000	1,442	16,442	16,144	298	20,250	5,267	25,517	25,250	267
Total Admin Info Technology		121,888	6,654	128,542	126,945	1,597	76,778	5,678	82,456	80,237	2,219

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Operation & Maintenance of Plant											
Services - Employee Benefits:											
Health Benefits	11-000-260-270	190,000	2,912	192,912	188,704	4,208	-	-	-	-	-
Total Health Benefits		190,000	2,912	192,912	188,704	4,208	-	-	-	-	-
Operation & Maintenance of Plant Services:											
Regular Maintenance School Facilities:											
Cleaning, Repairs & Maintenance Services	11-000-261-420	31,282	46,171	77,453	74,017	3,436	8,002	70,318	78,320	78,228	92
Travel	11-000-261-580		847	847	525	322		637	637	392	245
General Supplies	11-000-261-610	61,005	(3,653)	57,352	44,983	12,369	61,785	(14,545)	47,240	39,321	7,919
Other Objects	11-000-261-800	2,365	1	2,366	2,035	331	1,205	-	1,205	355	850
Total Regular Maintenance School Facilities		94,652	43,366	138,018	121,560	16,458	70,992	56,410	127,402	118,296	9,106
Custodial Services:											
Salaries	11-000-262-100	887,841	(52,024)	835,817	805,148	30,669	745,599	20,383	765,982	712,464	53,518
Salaries of Non-Instructional Aides	11-000-262-107	-	96,023	96,023	86,063	9,960	79,513	1,518	81,031	80,014	1,017
Purchased Professional & Technical Services	11-000-262-300	11,075	(6,293)	4,782	4,590	192	9,200	13,945	23,145	7,629	15,516
Cleaning, Repair & Maintenance Services	11-000-262-420	49,628	584	50,212	48,995	1,217	44,568	832	45,400	41,598	3,802
Rental of Land & Buildings	11-000-262-441	-	2,620	2,620	2,613	7		210	210	105	105
Other Purchased Property Services	11-000-262-490	33,250	850	34,100	34,098	2	29,700	-	29,700	26,318	3,382
Insurance	11-000-262-520	73,110	(9,479)	63,631	63,631	-	70,650	(2,606)	68,044	64,369	3,675
Miscellaneous Purchased Services	11-000-262-590	900	(900)	-	-	-	-	-	-	-	-
General Supplies	11-000-262-610	64,085	5,640	69,725	67,984	1,741	64,508	2,658	67,166	66,649	517
Energy (Natural Gas)	11-000-262-621	194,000	(84,188)	109,812	108,463	1,349	187,000	(14,569)	172,431	82,868	89,563
Energy (Electricity)	11-000-262-622	255,500	(92,547)	162,953	156,308	6,645	245,960	(19,495)	226,465	170,521	55,944
Total Custodial Services		1,569,389	(139,714)	1,429,675	1,377,893	51,782	1,476,698	2,876	1,479,574	1,252,535	227,039
Care & Upkeep of Grounds:											
Purchased Professional & Technical Services	11-000-263-300	-	1,650	1,650	1,650	-	-	-	-	-	-
Cleaning, Repair & Maintenance Service	11-000-263-420	3,900	11,435	15,335	14,538	797	2,350	9,692	12,042	4,215	7,827
General Supplies	11-000-263-610	16,975	648	17,623	12,477	5,146	11,450	8,593	20,043	17,212	2,831
Total Care & Upkeep of Grounds		20,875	13,733	34,608	28,665	5,943	13,800	18,285	32,085	21,427	10,658
Security:											
Purchased Professional & Technical Services	11-000-266-300	11,000	1,150	12,150	5,105	7,045	4,600	-	4,600	3,749	851

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MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Security (continued):											
Cleaning, Repair & Maintenance Service	11-000-266-420	16,120	916	17,036	15,686	1,350	25,010	(3,563)	21,447	16,172	5,275
General Supplies	11-000-266-610	1,550	4,735	6,285	5,500	785	14,665	(6,627)	8,038	515	7,523
Other Objects	11-000-266-800	600	-	600	285	315	-	-	-	-	-
Total Security		29,270	6,801	36,071	26,576	9,495	44,275	(10,190)	34,085	20,436	13,649
Total Operation & Maintenance of Plant Services		1,714,186	(75,814)	1,638,372	1,554,694	83,678	1,605,765	67,381	1,673,146	1,412,694	260,452
Student Transportation Services:											
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	22,000	-	22,000	15,750	6,250	30,000	-	30,000	13,869	16,131
Contracted Services (Between Home & School) - Vendors	11-000-270-512	16,925	265	17,190	15,009	2,181	3,000	-	3,000	2,200	800
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	305,000	(2,265)	302,735	267,116	35,619	340,000	(34,625)	305,375	266,232	39,143
Contracted Services - Aid in Lieu of Payments	11-000-270-503	33,000	-	33,000	19,616	13,384	27,000	-	27,000	20,398	6,602
Total Student Transportation Services		376,925	(2,000)	374,925	317,491	57,434	400,000	(34,625)	365,375	302,699	62,676
Personal Services - Employee Benefits:											
Group Insurance	11-000-291-210	-	500	500	491	9	-	-	-	-	-
Social Security Contributions	11-000-291-220	211,000	-	211,000	183,469	27,531	209,854	(6,680)	203,174	193,083	10,091
Other Retirement Contributions - Regular	11-000-291-241	230,000	-	230,000	190,501	39,499	217,500	-	217,500	217,500	-
Unemployment Benefits	11-000-291-250	180,000	(111,462)	68,538	68,538	235,000	145,000	380,000	380,000	380,000	-
Workman's Compensation	11-000-291-260	136,010	-	136,010	120,552	15,458	124,440	-	124,440	123,643	797
Health Benefits	11-000-291-270	2,413,531	(20,247)	2,393,284	1,895,244	498,040	2,840,649	(220,329)	2,620,320	2,188,544	431,776
Tuition Reimbursement	11-000-291-280	27,000	-	27,000	9,719	17,281	56,000	-	56,000	31,610	24,390
Other Employee Benefits	11-000-291-290	173,270	5,570	178,840	105,155	73,685	161,200	77,377	238,577	225,471	13,106
Total Personal Services - Employee Benefits		3,370,811	(125,639)	3,245,172	2,505,131	740,041	3,844,643	(4,632)	3,840,011	3,359,851	480,160
Nonbudgeted:											
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	574,690	(574,690)	-	-	-	-	-
On-Behalf TPAF Pension Contributions		-	-	-	508,239	(508,239)	-	-	-	-	-
Reimbursed TPAF Social Security Contributions		-	-	-	560,756	(560,756)	-	-	-	549,083	(549,083)
Total Nonbudgeted		-	-	-	1,643,685	(1,643,685)	-	-	-	549,083	(549,083)
Total Undistributed Expenditures		10,175,660	(97,845)	10,077,815	10,499,273	(421,458)	10,552,259	67,275	10,619,534	10,124,321	495,213
Total Expenditures - Current Expense		17,725,736	(256,837)	17,468,899	17,380,128	88,771	17,629,252	123,612	17,752,864	16,788,719	964,145

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Capital Outlay:											
Interest to Capital Reserve	2,000	-	2,000	-	2,000	2,000	-	2,000	-	2,000	
Equipment:											
Regular Programs - Instruction:											
Grades 1 - 5	12-120-100-730	-	20,244	20,244	-	20,244	56,000	20,608	76,608	76,608	-
Grades 6 - 8	12-130-100-730	-	5,995	5,995	5,995	-	28,000	(14,031)	13,969	13,969	-
Support Services	12-000-220-730	-	-	-	-	-	4,700	(4,700)	-	-	-
Administration Services	12-000-240-730	-	4,952	4,952	4,952	-	-	4,952	4,952	-	4,952
Maintenance Services	12-000-261-730	-	127,803	127,803	68,366	59,437	-	2,559	2,559	2,559	-
Custodial Services	12-000-262-730	6,950	72,657	79,607	62,984	16,623	2,250	(234)	2,016	2,016	-
Care & Upkeep of Grounds	12-000-262-730	-	4,497	4,497	4,497	-	-	-	-	-	-
Security Services	12-000-266-730	-	76,809	76,809	13,992	62,817	-	37,376	37,376	37,376	-
Total Equipment		6,950	312,957	319,907	160,786	159,121	90,950	46,530	137,480	132,528	4,952
Facilities Acquisition & Construction Services:											
Architectural/Engineering Services	12-000-400-334	68,600	148,844	217,444	190,189	27,255	-	14,730	14,730	14,730	-
Construction Services	12-000-400-450	957,100	(148,844)	808,256	725,607	82,649	-	9,896	9,896	9,896	-
Other Objects	12-000-400-800	-	-	-	-	-	6,274	-	6,274	6,274	-
Assessment for Debt Service on SDA Funding	12-000-400-896	8,611	-	8,611	8,611	-	-	-	-	-	-
Total Acquisition & Construction Services		1,034,311	-	1,034,311	924,407	109,904	6,274	24,626	30,900	30,900	-
Total Capital Outlay		1,043,261	312,957	1,356,218	1,085,193	271,025	99,224	71,156	170,380	163,428	6,952
Total Expenditures		18,768,997	56,120	18,825,117	18,465,321	359,796	17,728,476	194,768	17,923,244	16,952,147	971,097
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,633,772)	(55,228)	(1,689,000)	945,602	2,634,602	(425,596)	(183,907)	(609,503)	1,360,123	1,969,626

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Financing Sources(Uses):											
Transfer to Charter Schools	10-00-100-56x	(10,500)	10,500	-	-	-	-	-	-	-	
Sources Over/(Under) Expenditures & Other Financing Uses		(1,644,272)	(44,728)	(1,689,000)	945,602	2,634,602	(425,596)	(183,907)	(609,503)	1,360,123	
Fund Balances, July 1		4,910,044	-	4,910,044	4,910,044	-	3,549,921	-	3,549,921	3,549,921	
Fund Balances, June 30		<u>\$ 3,265,772</u>	<u>\$ (44,728)</u>	<u>\$ 3,221,044</u>	<u>\$ 5,855,646</u>	<u>\$ 2,634,602</u>	<u>\$ 3,124,325</u>	<u>\$ (183,907)</u>	<u>\$ 2,940,418</u>	<u>\$ 4,910,044</u>	<u>\$ 1,969,626</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 402,401
Cancellation of Prior Year Reserve for Encumbrances	<u>(357,673)</u>
Total Budget Transfers	<u>\$ 44,728</u>

RECAPITULATION

Restricted Fund Balance:	
Reserve for Excess Surplus	\$ 630,593
Emergency Reserve	250,000
Maintenance Reserve	1,013,607
Capital Reserve Account	2,686,673
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	519,616
Assigned Fund Balance:	
Year-End Encumbrances	342,863
Unassigned Fund Balance	<u>412,294</u>
Subtotal	5,855,646
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(881,763)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,973,883</u>

**MOUNT HOLLY SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	
Revenues:											
Federal Sources:											
Education Jobs Fund	18-4522	\$ -	\$ 892	\$ 892	\$ 892	\$ -	\$ 346,682	\$ 10,861	\$ 357,543	\$ 357,543	\$ -
Total Federal Sources		-	892	892	892	-	346,682	10,861	357,543	357,543	-
Total Revenues		\$ -	\$ 892	\$ 892	\$ 892	\$ -	\$ 346,682	\$ 10,861	\$ 357,543	\$ 357,543	\$ -
Expenditures:											
Education Jobs Fund:											
Instruction - Regular Programs:											
Other Salaries for											
Instruction	18-190-100-106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,870	\$ -	\$ 93,870	\$ 93,870	\$ -
Resource Room:											
Other Salaries for											
Instruction	18-213-100-106	-	-	-	-	-	166,116	10,861	176,977	176,977	-
Preschool Disabilities - Full Time:											
Other Salaries for											
Instruction	18-216-100-106	-	-	-	-	-	11,752	-	11,752	11,752	-
Educational Media Services/ School Library:											
Salaries of Teachers											
	18-000-222-100	-	-	-	-	-	43,234	-	43,234	43,234	-
Operation & Maintenance of Plant Services & School Facilities:											
Salaries											
	18-000-262-100	-	892	892	892	-	31,710	-	31,710	31,710	-
Total Education Jobs Fund		-	892	892	892	-	346,682	10,861	357,543	357,543	-
Total Expenditures		\$ -	\$ 892	\$ 892	\$ 892	\$ -	\$ 346,682	\$ 10,861	\$ 357,543	\$ 357,543	\$ -

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:										
Local Sources	\$ -	\$ 30,439	\$ 30,439	\$ 27,800	\$ (2,639)		\$ 14,872	\$ 14,872	\$ 5,183	\$ (9,689)
State Sources	110,000	90,173	200,173	131,734	(68,439)	225,305	8,248	233,553	231,082	(2,471)
Federal Sources	750,781	273,940	1,024,721	999,582	(25,139)	757,910	211,018	968,928	847,093	(121,835)
Total - Revenues	860,781	394,552	1,255,333	1,159,116	(96,217)	983,215	234,138	1,217,353	1,083,358	(133,995)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	490,001	(60,610)	429,391	423,776	5,615	298,538	226,230	524,768	509,102	15,666
Professional Education Services	102,252	15,153	117,405	90,266	27,139	142,340	(30,621)	111,719	80,918	30,801
Purchased Professional & Technical Services	-	174,650	174,650	159,101	15,549	-	-	-	26,105	(26,105)
General Supplies	-	149,675	149,675	138,968	10,707	21,721	74,408	96,129	45,193	50,936
Textbooks	-	-	-	-	-	10,802	-	10,802	10,564	238
Tuition	-	10,398	10,398	10,398	-	112,000	14,056	126,056	120,625	5,431
Total Instruction	592,253	289,266	881,519	822,509	59,010	585,401	284,073	869,474	792,507	76,967
Support Services:										
Other Salaries	1,200	-	1,200	1,200	-	1,200	1,631	2,831	2,831	-
Purchased Technical Services	51,853	8,297	60,150	58,364	1,786	222,731	(3,880)	218,851	175,408	43,443
Other Employee Benefits	117,404	5,881	123,285	89,658	33,627	149,353	(60,076)	89,277	87,613	1,664
Other Purchased Services (400-500)	98,071	42,767	140,838	134,935	5,903	15,030	(3,297)	11,733	16,789	(5,056)
Supplies & Materials	-	5,740	5,740	9,849	(4,109)	9,500	15,687	25,187	8,210	16,977
Total Support Services	268,528	62,685	331,213	294,006	37,207	397,814	(49,935)	347,879	290,851	57,028
Facilities Acquisition & Construction Services:										
Instructional Equipment	-	42,601	42,601	42,601	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	42,601	42,601	42,601	-	-	-	-	-	-
Total Expenditures	860,781	394,552	1,255,333	1,159,116	96,217	983,215	234,138	1,217,353	1,083,358	133,995
Total Outflows	860,781	394,552	1,255,333	1,159,116	96,217	983,215	234,138	1,217,353	1,083,358	133,995
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

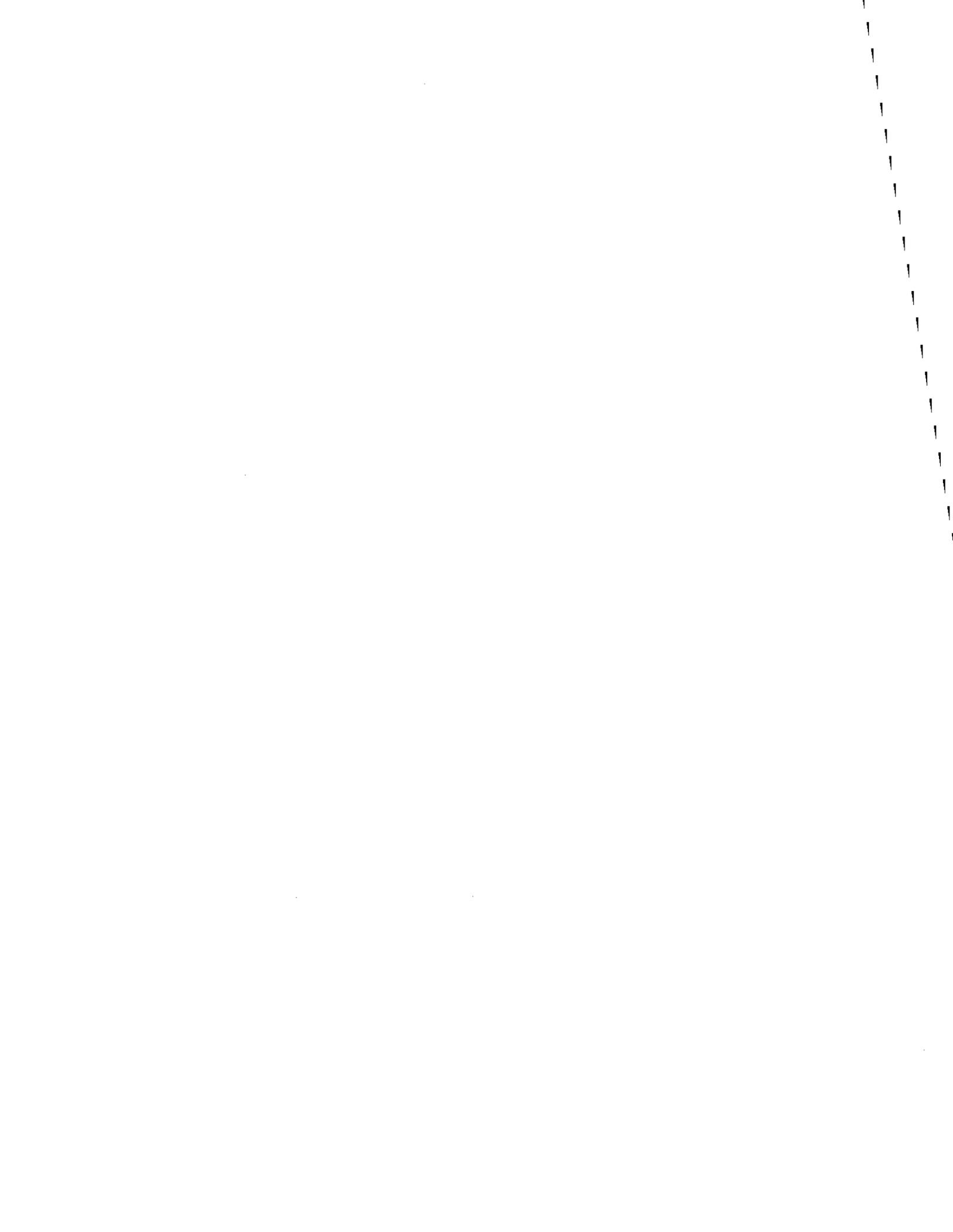
**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 19,410,923	\$ 1,159,116
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	73,085
Current Year	-	(63,159)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	891,211	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	<u>(881,763)</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 19,420,371</u>	<u>\$ 1,169,042</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,465,321	\$ 1,159,116
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	<u>-</u>	<u>9,926</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 18,465,321</u>	<u>\$ 1,169,042</u>

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	NONPUBLIC			CHAPTER 192 AUXILIARY SERVICES	
	TEXTBOOK	NURSING	TECHNOLOGY	COMPENSATION EDUCATION	TRANS- PORTATION
Revenues:					
State Sources	\$ 10,398	\$ 14,888	\$ 3,939	\$ 18,977	\$ 99
Total Revenues	\$ 10,398	\$ 14,888	\$ 3,939	\$ 18,977	\$ 99
Expenditures:					
Instruction:					
Professional Education Services	\$ -	\$ -	\$ 3,939	\$ 18,977	\$ 99
Tuition	10,398	-	-	-	-
Total Instruction	10,398	-	3,939	18,977	99
Support Services:					
Purchased Technical Services	-	14,888	-	-	-
Total Support Services	-	14,888	-	-	-
Total Expenditures	\$ 10,398	\$ 14,888	\$ 3,939	\$ 18,977	\$ 99

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	CHAPTER 193 HANDICAPPED SERVICES			EARLY CHILDHOOD PROGRAM AID
	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION	
Revenues:				
State Sources	\$ 11,637	\$ 10,896	\$ 11,628	\$ 49,272
Total Revenues	<u>\$ 11,637</u>	<u>\$ 10,896</u>	<u>\$ 11,628</u>	<u>\$ 49,272</u>
Expenditures:				
Instruction:				
Professional Education Services	\$ 11,637	\$ 10,896	\$ 11,628	\$ -
Total Instruction	<u>11,637</u>	<u>10,896</u>	<u>11,628</u>	<u>49,272</u>
Total Expenditures	<u>\$ 11,637</u>	<u>\$ 10,896</u>	<u>\$ 11,628</u>	<u>\$ 49,272</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	NO CHILD LEFT BEHIND				
	TITLE I PART A	TITLE I PART A	TITLE II PART A	TITLE II PART A	TITLE III PART A
	PRIOR YEAR		PRIOR YEAR		
Revenues:					
Federal Sources	\$ 443,465	\$ 5,035	\$ 108,895	\$ 2,939	\$ 20,631
Total Revenues	<u>\$ 443,465</u>	<u>\$ 5,035</u>	<u>\$ 108,895</u>	<u>\$ 2,939</u>	<u>\$ 20,631</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 249,319	\$ -	\$ 78,522	\$ -	\$ 12,082
Professional Education Services	23,628	2,462	-	-	
General Supplies	66,565	1,943	-	-	6,006
Total Instruction	<u>339,512</u>	<u>4,405</u>	<u>78,522</u>	<u>-</u>	<u>18,088</u>
Support Services:					
Purchased Technical Services	29,310	630	10,089	-	-
Other Employee Benefits	66,066	-	17,196	-	2,543
Other Purchased Services (400-500)	7,144	-	2,832	2,939	-
Supplies & Materials	1,433	-	256	-	-
Total Support Services	<u>103,953</u>	<u>630</u>	<u>30,373</u>	<u>2,939</u>	<u>2,543</u>
Total Expenditures	<u>\$ 443,465</u>	<u>\$ 5,035</u>	<u>\$ 108,895</u>	<u>\$ 2,939</u>	<u>\$ 20,631</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	IDEA - B				
	BASIC CURRENT YEAR	BASIC PRIOR YEAR	PRESCHOOL CURRENT YEAR	PRESCHOOL PRIOR YEAR	RACE TO THE TOP
Revenues:					
Federal Sources	\$ 352,153	\$ 46,086	\$ 6,748	\$ 4,880	\$ 8,750
Total Revenues	<u>\$ 352,153</u>	<u>\$ 46,086</u>	<u>\$ 6,748</u>	<u>\$ 4,880</u>	<u>\$ 8,750</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 34,581	\$ -	\$ -	\$ -	\$ -
Professional Education Services	7,000	-	-	-	-
Purchased Professional & Technical Services	117,786	38,930	-	-	-
General Supplies	37,702	5,325	-	-	-
Total Instruction	<u>197,069</u>	<u>44,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:					
Other Salaries	1,200	-	-	-	-
Purchased Technical Services	3,447	-	-	-	-
Other Employee Benefits	3,853	-	-	-	-
Other Purchased Services (400-500)	109,928	1,467	-	-	8,750
Supplies & Materials	2,916	364	-	4,880	-
Total Support Services	<u>121,344</u>	<u>1,831</u>	<u>-</u>	<u>4,880</u>	<u>8,750</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment	33,740	-	6,748	-	-
Total Facilities Acquisition & Construction Services	<u>33,740</u>	<u>-</u>	<u>6,748</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 352,153</u>	<u>\$ 46,086</u>	<u>\$ 6,748</u>	<u>\$ 4,880</u>	<u>\$ 8,750</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	LOWE'S COURT YARD	PROJECT LEAD THE WAY	2013	2012
Revenues:				
Local Sources	\$ 14,689	\$ 13,111	\$ 27,800	\$ 5,183
State Sources	-	-	131,734	231,082
Federal Sources	-	-	999,582	847,093
Total Revenues	\$ 14,689	\$ 13,111	\$ 1,159,116	\$ 1,083,358
Expenditures:				
Instruction:				
Salaries of Teachers	-	-	\$ 423,776	\$ 509,102
Professional Education Services	-	-	90,266	80,918
Purchased Professional & Technical Services	2,385	-	159,101	26,105
General Supplies	12,304	9,123	138,968	45,193
Textbooks	-	-	-	10,564
Tuition	-	-	10,398	120,625
Total Instruction	14,689	9,123	822,509	792,507
Support Services:				
Other Salaries	-	-	1,200	2,831
Purchased Technical Services	-	-	58,364	175,408
Other Employee Benefits	-	-	89,658	87,613
Other Purchased Services (400-500)	-	1,875	134,935	16,789
Supplies & Materials	-	-	9,849	8,210
Total Support Services	-	1,875	294,006	290,851
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	2,113	42,601	-
Total Facilities Acquisition & Construction Services	-	2,113	42,601	-
Total Expenditures	\$ 14,689	\$ 13,111	\$ 1,159,116	\$ 1,083,358

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	2013		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 49,272	\$ 49,272	\$ -
Total Instruction	49,272	49,272	-
Total Expenditures	\$ 49,272	\$ 49,272	\$ -

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2012-2013 Preschool Education Aid Allocation	\$ 314,094
Total Preschool Education Aid Funds Available for 2012-2013 Budget	314,094
Less: 2012-2013 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(49,272)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2013	264,822
Add: June 30, 2013 Unexpended Preschool Education Aid	-
Total Actual Preschool Education Aid Carryover	\$ 264,822
2012-2013 Preschool Education Aid Carryover Budgeted in 2013-2014	\$ 264,822

F. Capital Projects Fund

Not Applicable

G. Proprietary Funds



MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	2013	2012
Current Assets:		
Cash	\$ 88,283	\$ 81,171
Accounts Receivable:		
State	416	297
Federal	22,304	13,938
Other	399	1,748
Inventories	11,981	14,764
	<hr/>	<hr/>
Total Current Assets	123,383	111,918
	<hr/>	<hr/>
Fixed Assets:		
Equipment	325,769	341,876
Less: Accumulated Depreciation	(272,197)	(264,364)
	<hr/>	<hr/>
Total Fixed Assets	53,572	77,512
	<hr/>	<hr/>
Total Assets	176,955	189,430
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	-	173
Deferred Revenue	9,207	10,941
	<hr/>	<hr/>
Total Liabilities	9,207	11,114
	<hr/>	<hr/>
NET POSITION		
Invested in Capital Assets	53,572	77,512
Unreserved Retained Earnings	114,176	100,804
	<hr/>	<hr/>
Total Net Position	\$ 167,748	\$ 178,316
	<hr/>	<hr/>

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	2013	2012
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 76,100	\$ 80,230
Breakfast Program	6,958	6,619
Daily Sales Non-Reimbursable Programs	25,149	14,773
Satellite Lunch Program - Westampton	35,039	37,409
Special Functions	14,359	19,217
	<hr/>	<hr/>
Total Operating Revenues	157,605	158,248
	<hr/>	<hr/>
Operating Expenses:		
Salaries and Benefits	188,287	180,934
Supplies & Materials	14,738	17,531
Depreciation	17,148	19,238
Management Fee	16,275	15,825
Cost of Sales	247,815	222,939
Direct Services	2,813	3,784
Other	13,371	7,000
	<hr/>	<hr/>
Total Operating Expenses	500,447	467,251
	<hr/>	<hr/>
Operating Income/(Loss)	(342,842)	(309,003)
	<hr/>	<hr/>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	5,824	5,788
Federal Sources:		
National School Lunch Program	242,180	225,803
National School Breakfast Program	53,133	36,409
Special Milk Program	1,390	1,422
Food Distribution Program	32,106	32,988
Healthy Hungry Kids Act	4,327	-
Gain/(Loss) on Adjustment to Fixed Assets	(6,792)	54,143
Interest Revenue	106	497
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	332,274	357,050
	<hr/>	<hr/>
Net Income/(Loss)	(10,568)	48,047
Net Position - July 1	178,316	130,269
	<hr/>	<hr/>
Net Position - June 30	\$ 167,748	\$ 178,316
	<hr/>	<hr/>

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	2013	2012
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 157,220	\$ 169,411
Payments to Employees for Services	(188,287)	(180,934)
Payments to Suppliers for Goods & Services	(260,296)	(236,255)
	<u>(291,363)</u>	<u>(247,778)</u>
Cash Flows From Noncapital Financing Activities:		
Cash Received from State & Federal Reimbursements	298,369	268,611
	<u>298,369</u>	<u>268,611</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>298,369</u>	<u>268,611</u>
Cash Flows From Investing Activities:		
Interest & Dividends	106	497
	<u>106</u>	<u>497</u>
Net Cash Provided/(Used) by Investing Activities	<u>106</u>	<u>497</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	7,112	21,330
Cash & Cash Equivalents, July 1	81,171	59,841
	<u>88,283</u>	<u>81,171</u>
Cash & Cash Equivalents, June 30	<u>\$ 88,283</u>	<u>\$ 81,171</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (342,842)	\$ (309,003)
Adjustments to Reconcile Operating Income/ (Loss)/to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	17,148	19,238
Food Distribution Program	32,106	32,988
Change in Assets & Liabilities:		
(Increase)/Decrease in Receivables	1,349	222
(Increase)/Decrease in Inventories	2,783	(2,305)
Increase/(Decrease) in Accounts Payable	(173)	141
Increase/(Decrease) in Deferred Revenues	(1,734)	10,941
	<u>51,479</u>	<u>61,225</u>
Total Adjustments	<u>51,479</u>	<u>61,225</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (291,363)</u>	<u>\$ (247,778)</u>



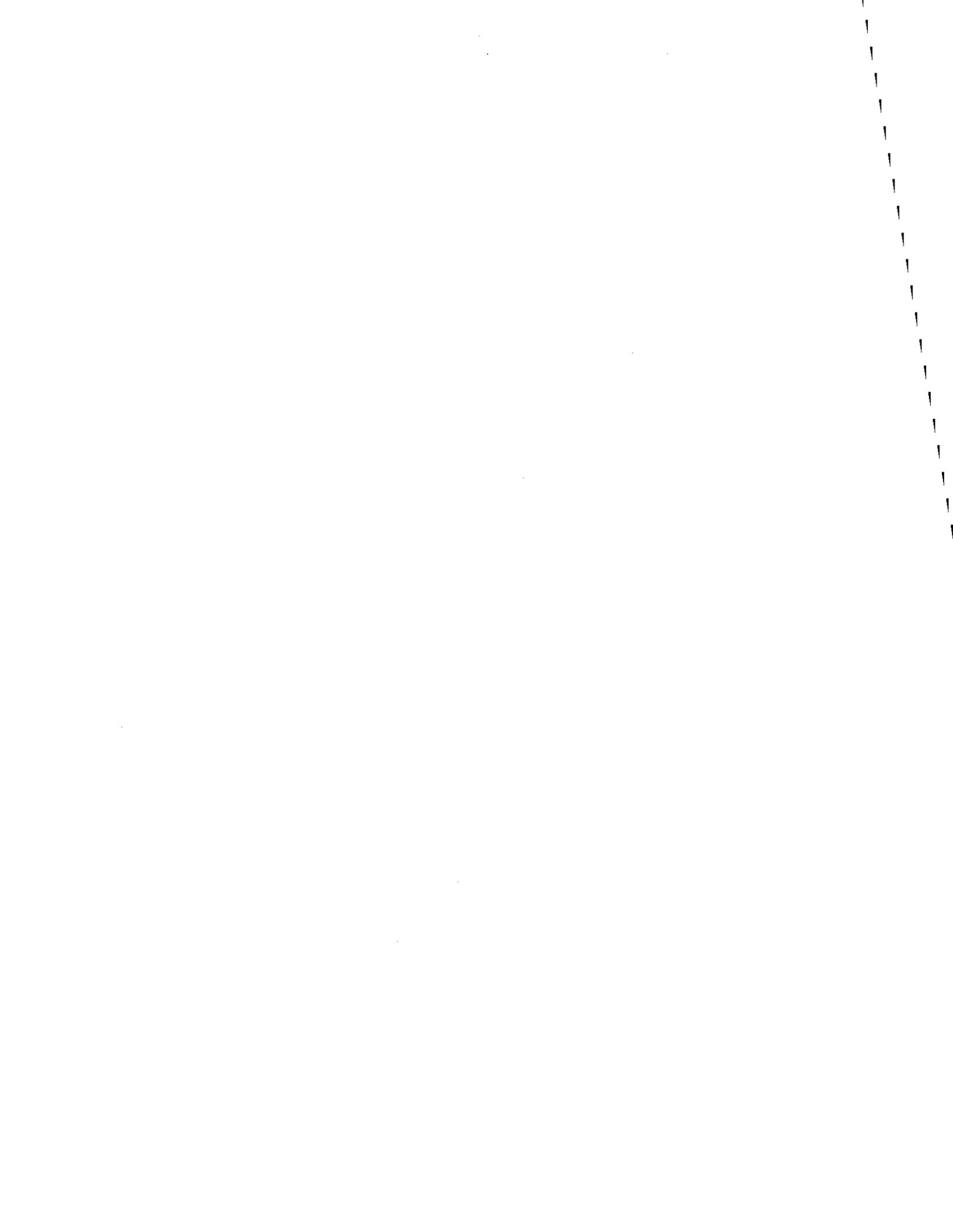
Enterprise Funds

Internal Service Fund

Not Applicable



H. Fiduciary Fund



**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		AGENCY		2013	2012
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL			
Cash & Cash Equivalents	\$ 262,829	\$ 10,305	\$ 977	\$ 274,111	\$ 404,961	
Total Assets	262,829	10,305	977	274,111	404,961	
LIABILITIES						
Payroll Deductions & Withholdings	-	-	637	637	1,211	
Interfund Payable	-	-	340	340	23,780	
Accounts Payable	4,411	-	-	4,411	-	
Due to Student Groups	-	10,305	-	10,305	9,175	
Total Liabilities	4,411	10,305	977	15,693	34,166	
NET POSITION						
Reserve for Unemployment Compensation	258,418	-	-	258,418	370,795	
Total Net Position	\$ 258,418	\$ -	\$ -	\$ 258,418	\$ 370,795	

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ADDITIONS:	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	2013	2012
Contributions:			
General Fund Appropriation	\$ -	\$ -	\$ 380,000
Employee Contributions	15,237	15,237	9,467
Total Contributions	<u>15,237</u>	<u>15,237</u>	<u>389,467</u>
Investment Earnings:			
Interest	368	368	1,077
Net Investment Earnings	<u>368</u>	<u>368</u>	<u>1,077</u>
Total Additions	<u>15,605</u>	<u>15,605</u>	<u>390,544</u>
DEDUCTIONS:			
Unemployment Claims	<u>127,982</u>	<u>127,982</u>	<u>20,082</u>
Total Deductions	<u>127,982</u>	<u>127,982</u>	<u>20,082</u>
Change in Net Position	(112,377)	(112,377)	370,462
Net Position - July 1	<u>370,795</u>	<u>370,795</u>	<u>333</u>
Net Position - June 30	<u>\$ 258,418</u>	<u>\$ 258,418</u>	<u>\$ 370,795</u>

**MOUNT HOLLY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Holbein School	\$ 9,175	\$ 15,181	\$ 14,051	\$ 10,305
Total Activity	<u>\$ 9,175</u>	<u>\$ 15,181</u>	<u>\$ 14,051</u>	<u>\$ 10,305</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

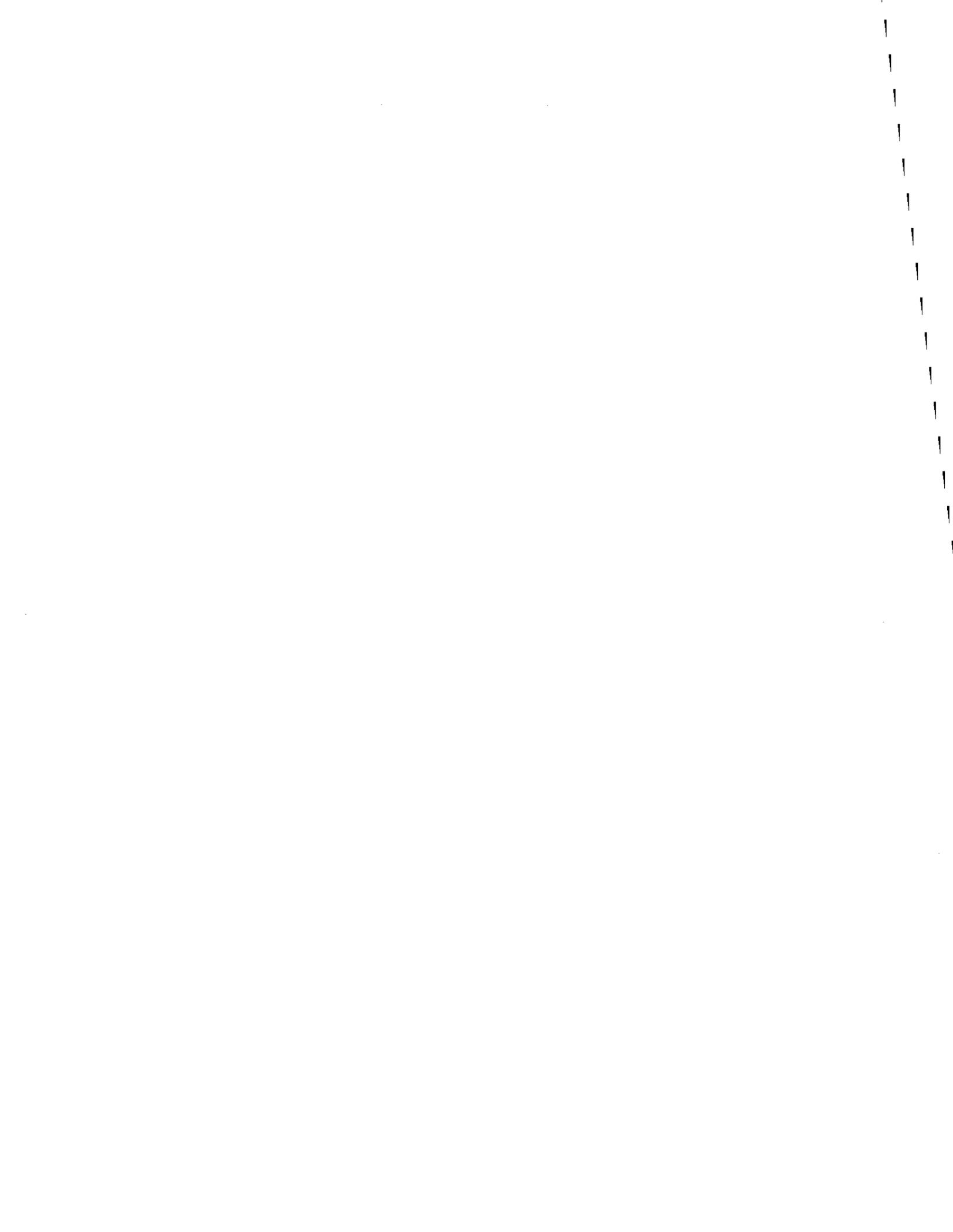
ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 24,991	\$ 11,168,985	\$ 11,192,999	\$ 977
Total Assets	<u>\$ 24,991</u>	<u>\$ 11,168,985</u>	<u>\$ 11,192,999</u>	<u>\$ 977</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 1,211	\$ 5,181,380	\$ 5,181,954	\$ 637
Net Payroll	-	5,987,265	5,987,265	-
Interfund Payable	23,780	340	23,780	340
Total Liabilities	<u>\$ 24,991</u>	<u>\$ 11,168,985</u>	<u>\$ 11,192,999</u>	<u>\$ 977</u>



I. Long-Term Debt

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2013**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		AMOUNT	ISSUED	RETIRED	AMOUNT
			PRINCIPAL	INTEREST	OUTSTANDING JUNE 30, 2012	CURRENT YEAR	CURRENT YEAR	OUTSTANDING JUNE 30, 2013
Duplicating Machines: Copiers	12/01/2010	5 Years	\$259,947	\$34,833	\$ 185,327	\$ -	\$ 51,116	\$ 134,211
				Total	\$ 185,327	\$ -	\$ 51,116	\$ 134,211



STATISTICAL SECTION (Unaudited)



MOUNT HOLLY SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 12,074,204	\$ 11,176,472	\$ 11,662,297	\$ 11,508,184	\$ 11,954,070	\$ 12,104,860	\$ 11,757,110	\$ 11,851,589	\$ 12,185,859	\$ 11,962,845
Restricted										
Special Revenue	-	-	-	-	-	(57,423)	(49,654)	(49,654)	(49,654)	(49,654)
Other Purposes	4,973,883	3,911,564	2,991,983	2,452,655	2,055,637	2,023,676	1,677,672	1,240,944	1,019,466	527,594
Unrestricted	(728,261)	(669,401)	(1,290,155)	(1,414,677)	(1,462,995)	(773,568)	(862,564)	(884,547)	(890,748)	(680,462)
Total Governmental Activities Net Position	\$ 16,319,826	\$ 14,418,635	\$ 13,364,125	\$ 12,546,162	\$ 12,546,712	\$ 13,297,545	\$ 12,522,564	\$ 12,158,332	\$ 12,264,923	\$ 11,760,323
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 53,572	\$ 77,512	\$ 42,607	\$ 21,601	\$ 26,933	\$ 32,833	\$ 39,302	\$ 66,154	\$ 74,767	\$ -
Unrestricted	114,176	100,804	87,662	59,935	19,843	8,051	5,626	9,205	12,508	98,361
Total Business-Type Activities Net Position	\$ 167,748	\$ 178,316	\$ 130,269	\$ 81,536	\$ 46,776	\$ 40,884	\$ 44,928	\$ 75,359	\$ 87,275	\$ 98,361
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 12,127,776	\$ 11,253,984	\$ 11,704,904	\$ 11,529,785	\$ 11,981,003	\$ 12,137,693	\$ 11,796,412	\$ 11,917,743	\$ 12,260,626	\$ 11,962,845
Restricted:										
Special Revenue	-	-	-	-	-	(57,423)	(49,654)	(49,654)	(49,654)	(49,654)
Other Purposes	4,973,883	3,911,564	2,991,983	2,452,655	2,055,637	2,023,676	1,677,672	1,240,944	1,019,466	527,594
Unrestricted	(614,085)	(568,597)	(1,202,493)	(1,354,742)	(1,443,152)	(765,517)	(856,938)	(875,342)	(878,240)	(582,101)
Total District Net Position	\$ 16,487,574	\$ 14,596,951	\$ 13,494,394	\$ 12,627,698	\$ 12,593,488	\$ 13,338,429	\$ 12,567,492	\$ 12,233,691	\$ 12,352,198	\$ 11,858,684

MOUNT HOLLY SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

FISCAL YEAR ENDING JUNE 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,213,542	\$ 5,214,002	\$ 5,519,336	\$ 5,793,118	\$ 6,152,373	\$ 6,090,746	\$ 5,801,886	\$ 5,797,016	\$ 7,028,181	\$ 7,411,351
Special Education	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839	1,705,769	1,745,071	1,687,629	2,050,324	1,975,021
Other Instruction	450,180	426,607	415,335	482,674	496,843	475,831	467,955	376,583	499,365	476,235
Support Services & Undistributed Costs:										
Tuition	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821	1,011,353	1,060,135	1,151,609	1,305,733	1,372,242
Student & Instruction Related Services	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242	2,518,182	2,292,435	2,070,472	2,416,209	2,484,696
School Administrative Services	386,050	369,892	454,401	414,840	447,724	641,571	657,096	629,228	881,207	872,397
General Administrative Services	590,906	555,994	710,874	707,299	669,699	735,125	756,777	746,900	1,107,057	847,850
Plant Operations & Maintenance	413,220	379,328	336,873	504,243	269,809	1,463,702	1,551,581	1,601,598	1,898,467	1,857,765
Pupil Transportation	1,743,398	1,412,694	1,303,527	1,470,316	1,884,142	429,060	514,272	440,023	597,073	491,023
Other Objects	-	-	10,789	-	-	-	-	-	-	-
Unallocated Benefits	269,082	320,780	324,533	264,589	569,717	5,041,790	5,284,581	4,440,056	-	-
Interest on Long-Term Debt	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037	-	-	-	11,565	34,155
Fixed Asset Adjustments	96,346	290,593	-	-	-	-	-	-	-	-
Redction of Capital Leases	(51,116)	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	135,733	179,503	161,222	137,586	181,556	155,428	5,570	17,554	16,975	26,264
Total Governmental Activities Expense	18,688,222	18,279,186	19,186,895	19,693,186	20,146,802	20,268,557	20,137,359	18,958,668	17,812,156	17,848,999
Business-Type Activities:										
Food Service	500,447	467,251	420,095	393,400	400,050	433,421	482,522	444,561	428,052	529,453
Total Business-Type Activities Expense	500,447	467,251	420,095	393,400	400,050	433,421	482,522	444,561	428,052	529,453
Total District Expenses	\$ 19,188,669	\$ 18,746,437	\$ 19,606,990	\$ 20,086,586	\$ 20,546,852	\$ 20,701,978	\$ 20,619,881	\$ 19,403,229	\$ 18,240,208	\$ 18,378,452

**MOUNT HOLLY SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 2,812,727	\$ 1,666,996	\$ 2,657,941	\$ 3,087,639	\$ 2,358,956	\$ 4,550,216	\$ 4,726,570	\$ 3,775,086	\$ 3,583,229	\$ 3,684,408
Total Governmental Activities Program Revenues	2,812,727	1,666,996	2,657,941	3,087,639	2,358,956	4,550,216	4,726,570	3,775,086	3,583,229	3,684,408
Business-Type Activities:										
Charges for Services:										
Food Service	157,605	158,248	183,601	142,273	140,705	152,114	146,384	163,450	172,462	171,745
Operating Grants & Contributions	338,960	302,410	279,361	285,705	265,149	252,251	256,939	255,920	244,063	246,451
Total Business Type Activities Program Revenues	496,565	460,658	462,962	427,978	405,854	404,365	403,323	419,370	416,525	418,196
Total District Program Revenues	\$ 3,309,292	\$ 2,127,654	\$ 3,120,903	\$ 3,515,617	\$ 2,764,810	\$ 4,954,581	\$ 5,129,893	\$ 4,194,456	\$ 3,999,754	\$ 4,102,604
Net (Expense)/Revenue:										
Governmental Activities	\$ (15,875,495)	\$ (16,612,190)	\$ (16,528,954)	\$ (16,605,547)	\$ (17,787,846)	\$ (15,718,341)	\$ (15,410,789)	\$ (15,183,582)	\$ (14,228,927)	\$ (14,164,591)
Business-Type Activities	(3,882)	(6,593)	42,867	34,578	5,804	(29,056)	(79,199)	(25,191)	(11,527)	(111,257)
Total District-Wide Net Expense	\$ (15,879,377)	\$ (16,618,783)	\$ (16,486,087)	\$ (16,570,969)	\$ (17,782,042)	\$ (15,747,397)	\$ (15,489,988)	\$ (15,208,773)	\$ (14,240,454)	\$ (14,275,848)

**MOUNT HOLLY SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDING JUNE 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for										
General Purposes, Net	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889	\$ 6,889,889	\$ 6,814,889	\$ 6,814,889	\$ 6,558,171	\$ 6,024,745	\$ 5,494,500	\$ 4,938,735
Taxes Levied for Debt Service	-	-	-	-	-	-	-	-	262,934	262,229
Unrestricted Grants &										
Contributions	10,125,861	10,359,703	9,933,649	9,808,226	10,034,918	9,074,503	8,635,850	8,604,212	8,816,566	-
Investment Earnings	3,585	8,938	36,787	4,924	83,683	17,089	132,678	80,084	31,035	4,129
Miscellaneous Income	346,868	140,832	359,592	357,576	115,065	610,877	496,322	380,650	128,492	447,579
Disposal of Fixed Assets	-	-	-	(455,618)	(11,542)	-	-	-	-	-
Transfers	-	-	-	-	-	(24,036)	(48,000)	(12,700)	-	(122,109)
Total Governmental Activities	17,776,686	17,666,700	17,346,917	16,604,997	17,037,013	16,493,322	15,775,021	15,076,991	14,733,527	5,530,563
Business-Type Activities:										
Investment Earnings	106	497	592	182	88	976	768	575	366	151
Adjustment to Fixed Assets	(6,792)	54,143	5,274	14,596,951	13,494,394	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	75	193
Transfers	-	-	-	-	-	24,036	48,000	12,700	-	122,109
Total Business-Type Activities	(6,686)	54,640	5,866	14,597,133	13,494,482	25,012	48,768	13,275	441	122,453
Total District-Wide	\$ 17,770,000	\$ 17,721,340	\$ 17,352,783	\$ 31,202,130	\$ 30,531,495	\$ 16,518,334	\$ 15,823,789	\$ 15,090,266	\$ 14,733,968	\$ 5,653,016
Change in Net Position:										
Governmental Activities	\$ 1,901,191	\$ 1,054,510	\$ 817,963	\$ (550)	\$ (750,833)	\$ 774,981	\$ 364,232	\$ (106,591)	\$ 504,600	\$ (8,634,028)
Business-Type Activities	(10,568)	48,047	48,733	14,631,711	13,500,286	(4,044)	(30,431)	(11,916)	(11,086)	11,196
Total District	\$ 1,890,623	\$ 1,102,557	\$ 866,696	\$ 14,631,161	\$ 12,749,453	\$ 770,937	\$ 333,801	\$ (118,507)	\$ 493,514	\$ (8,622,832)

MOUNT HOLLY SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Restricted for:										
Capital Reserve	\$ 2,686,673	\$ 2,277,373	\$ 1,468,436	\$ 1,175,939	\$ 921,016	\$ 715,971	\$ 548,883	\$ 525,088	\$ 506,553	\$ 494,700
Emergency Reserve	250,000	250,000	250,000	200,000	100,000	100,000	-	-	-	-
Maintenance Reserve	1,013,607	443,607	440,924	250,000	150,000	150,000	-	-	-	-
Excess Surplus	630,593	519,616	420,968	411,655	407,471	344,505	713,200	365,484	343,266	32,894
Excess Surplus - Designated for Subsequent Year's Expenditures	393,010	420,968	411,655	407,471	344,505	713,200	365,484	310,371	-	-
Assigned to:										
Other Purposes	-	-	-	7,590	132,645	-	-	-	-	-
Designated for Subsequent Year's Expenditures	-	107,269	-	-	-	56,696	50,105	-	-	-
Unassigned	-	-	(236,786)	(573,621)	(482,011)	(36,019)	(52,705)	4,888	86,339	86,242
Total General Fund	\$ 4,973,883	\$ 4,018,833	\$ 2,755,197	\$ 1,879,034	\$ 1,573,626	\$ 2,044,353	\$ 1,624,967	\$ 1,205,831	\$ 936,158	\$ 613,836
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (57,423)	\$ (49,654)	\$ (49,654)	\$ (49,654)	\$ (49,654)
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (57,423)	\$ (49,654)	\$ (49,654)	\$ (49,654)	\$ (49,654)

MOUNT HOLLY SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Local Tax Levy	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889	\$ 6,889,889	\$ 6,814,889	\$ 6,814,889	\$ 6,558,171	\$ 6,024,745	\$ 5,757,434	\$ 5,200,964
Tuition Charges	272,924	86,665	283,447	222,341	-	62,987	49,097	48,893	106,233	75,208
Interest Earnings	3,585	8,938	36,787	4,924	83,683	17,089	23,794	80,084	31,035	4,129
Miscellaneous	73,944	54,167	76,145	135,235	115,065	547,890	556,109	331,757	22,259	372,371
State Sources	11,862,388	10,719,825	11,272,489	10,014,910	11,358,161	12,530,010	11,810,028	11,166,607	11,172,923	10,820,804
Federal Sources	1,076,200	1,306,874	1,319,101	2,880,955	1,035,713	1,094,709	1,552,392	1,212,691	1,226,871	1,355,955
Total Revenue	20,589,413	19,333,696	20,004,858	20,148,254	19,407,511	21,067,574	20,549,591	18,864,777	18,316,755	17,829,431
Expenditures:										
Instruction:										
Regular Instruction	5,213,542	5,214,002	5,519,336	5,793,118	6,152,373	6,106,360	5,763,482	5,509,278	5,190,831	5,222,652
Special Education Instruction	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839	1,705,769	1,745,071	1,687,629	1,567,282	1,512,013
Other Special Instruction	450,180	426,607	415,335	482,674	496,843	475,831	467,955	376,583	381,718	351,230
Support Services & Undistributed Costs:										
Tuition	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821	1,011,353	1,060,135	1,151,609	1,305,733	1,372,242
Student & Instruction Related Services	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242	2,518,182	2,292,435	2,070,472	1,898,222	1,932,007
School Administrative Services	590,906	665,447	710,874	707,299	669,699	641,571	657,096	629,228	616,369	621,760
General Administrative Services	790,659	723,272	791,274	919,083	717,533	735,125	745,637	711,794	663,858	638,575
Plant Operations & Maintenance	1,743,398	1,412,694	1,303,527	1,470,316	1,884,142	1,932,930	1,419,890	1,499,193	1,406,054	1,501,435
Pupil Transportation	317,491	302,699	407,000	404,517	382,978	429,060	514,272	440,023	456,407	491,023
Unallocated Benefits	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037	5,041,790	5,284,581	4,440,056	3,925,742	3,793,776
Capital Outlay	1,087,306	195,546	326,124	147,318	42,308	33,950	131,901	66,539	56,652	52,703
Debt Service:										
Principal	-	-	-	-	-	-	-	-	514,000	490,000
Interest & Other Charges	-	-	-	-	-	-	-	-	11,565	34,155
Total Expenditures	19,634,363	18,070,060	19,423,475	19,842,846	19,820,815	20,631,921	20,082,455	18,582,404	17,994,433	18,013,571
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	955,050	1,263,636	581,383	305,408	(413,304)	435,653	467,136	282,373	322,322	(184,140)
Other Financing Sources/(Uses):										
Capital Leases	-	-	294,780	-	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	(24,036)	(48,000)	(12,700)	-	(122,109)
Total Other Financing Sources/(Uses)	-	-	294,780	-	-	(24,036)	(48,000)	(12,700)	-	(122,109)
Net Change in Fund Balances	\$ 955,050	\$ 1,263,636	\$ 876,163	\$ 305,408	\$ (413,304)	\$ 411,617	\$ 419,136	\$ 269,673	\$ 322,322	\$ (306,249)
Debt Service as a Percentage of Noncapital Expenditures									2.93%	2.92%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	CAPITAL RESERVE INTEREST	TUITION	TRANSPORTATION	PRIOR YEAR REFUNDS	OTHER REFUNDS	SALE OF ASSETS	RENTALS	MISCELLANEOUS	TOTAL
2013	1,585	3,585	272,924	-	-	-	-	-	44,559	322,653
2012	6,938	8,938	86,665	-	-	-	-	-	42,046	144,587
2011	49,283	17,496	283,447	-	-	-	-	-	46,025	396,251
2010	22,274	4,924	-	-	-	41,311	-	-	293,991	362,500
2009	35,928	5,045	48,014	-	-	-	-	-	31,123	120,110
2008	130,480	17,089	62,987	-	-	-	400,000	-	17,410	627,966
2007	108,884	23,794	49,097	-	2,892	73,966	350,000	4,000	16,367	629,000
2006	61,549	18,535	48,893	5,811	8,045	4,467	299,500	-	13,934	460,734
2005	19,182	11,854	106,233	2,874	-	19,055	-	-	329	159,527
2004	5,271	4,129	78,179	-	-	30,974	-	56,975	276,180	451,708

Source: District records

**MOUNT HOLLY SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED TAXABLE	(a) PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	(b)	COUNTY EQUALIZED VALUE
												TOTAL DIRECT SCHOOL RATE	
2012	\$11,457,000	515,910,300	N/A	7,100	93,711,000	8,406,600	20,180,500	649,672,500	7,547,722	657,220,222	287,734,300	1.092	633,441,106
*2011	11,413,200	515,471,900	N/A	7,100	95,095,200	8,460,000	20,587,900	651,035,300	7,829,084	658,864,384	290,989,500	1.068	672,902,540
2010	5,876,700	248,952,700	N/A	8,300	45,352,200	4,370,300	9,748,500	314,308,700	3,565,377	317,874,077	148,335,600	2.171	681,301,653
2009	5,901,800	248,239,500	N/A	8,300	44,879,100	4,485,300	9,748,500	313,262,500	3,444,405	316,706,905	148,105,108	2.127	692,020,480
2008	6,044,900	247,721,300	142,700	14,200	45,706,700	4,485,300	11,250,700	315,365,800	3,156,029	318,521,829	149,398,300	2.135	709,679,409
2007	5,828,600	257,593,800	142,700	14,500	45,517,000	5,248,300	10,129,200	324,474,100	11,234,675	335,708,775	128,869,000	2.077	642,521,772
2006	6,168,700	248,390,800	142,700	14,200	44,018,800	4,847,700	11,395,400	314,978,300	3,649,818	318,628,118	149,642,000	1.939	351,516,000
2005	5,473,000	250,726,100	142,700	14,200	43,281,500	4,847,700	12,157,000	316,642,200	4,223,486	320,865,686	147,589,500	1.753	546,950,563
2004	5,096,400	252,580,800	142,700	14,200	44,469,300	4,847,700	12,151,900	319,303,000	5,138,701	324,441,701	144,268,300	1.665	471,409,535
2003	5,211,100	252,989,200	142,700	14,200	44,053,100	4,847,700	12,151,900	319,409,900	5,905,257	325,315,157	142,758,300	1.513	422,156,136

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 ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**MOUNT HOLLY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF MOUNT HOLLY	REGIONAL SCHOOL	FIRE DISTRICT	BURLINGTON COUNTY	
2012	1.092	-	1.092	0.638	0.372	0.090	0.366	2.558
2011	1.068	-	1.068	0.597	0.369	0.090	0.387	2.511
2010	2.171	-	2.171	1.154	0.747	0.179	0.860	5.111
2009	2.127	-	2.127	1.155	0.774	0.173	0.830	5.059
2008	2.135	-	2.135	1.076	0.797	0.172	0.867	5.047
2007	2.077	-	2.077	1.002	0.772	0.172	0.849	4.872
2006	1.939	-	1.939	0.929	0.688	0.171	0.752	4.479
2005	1.672	0.081	1.753	0.848	0.635	0.169	0.664	4.069
2004	1.584	0.081	1.665	0.779	0.594	0.159	0.609	3.806
2003	1.433	0.080	1.513	0.800	0.493	0.148	0.598	3.552

Source: Municipal Tax Collector

**MOUNT HOLLY SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties, LLC	\$12,967,000	1	1.97%
Mount Holly Associates	11,675,000	2	1.78%
Verizon Property Tax Department	9,714,622	3	1.48%
Virtua Memorial Hospital	6,907,800	4	1.05%
Mount Holly Equities	6,025,800	5	0.92%
Richard A. Alaimo	4,000,200	6	0.61%
Amcors Flexibles, Inc.	3,605,200	7	0.55%
K&S 100, LLC	2,609,500	8	0.40%
Public Storage Inc.	2,349,700	9	0.36%
Mill Race, Inc	1,976,600	10	0.30%
Total	<u>\$61,831,422</u>		<u>9.41%</u>

TAXPAYER	2004		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

**MOUNT HOLLY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2013	\$7,300,372	7,300,372	100.00%	-
2012	7,157,227	7,157,227	100.00%	-
2011	7,016,889	7,016,889	100.00%	-
2010	6,889,889	6,889,889	100.00%	-
2009	6,814,889	6,814,889	100.00%	-
2008	6,814,889	6,814,889	100.00%	-
2007	6,291,458	6,291,458	100.00%	-
2006	5,688,534	5,688,534	100.00%	-
2005	5,415,836	5,415,836	100.00%	-
2004	4,954,058	4,954,058	100.00%	-

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

**MOUNT HOLLY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2013	-	134,211	134,211	N/A	N/A
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	514,000	9,125	523,125	0.13%	49

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- a. Based on Per Capita Income for Burlington County
- b. Based on School District Population as of July 1

MOUNT HOLLY SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	514,000	-	514,000	0.16%	48

- a. See Exhibit J-6 for property tax data.
b. Population data can be found on Exhibit J-14

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$18,743,970	100.000%	\$18,743,970
Rancocas Valley Regional High School	2,666,938	13.908%	370,918
Burlington County General Obligation Debt	336,576,327	1.299%	<u>4,372,126</u>
Subtotal, Overlapping Debt			23,487,014
Mount Holly School District			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$23,487,014</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

- 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.

**MOUNT HOLLY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION ^a	PERSONAL INCOME ^b	PER CAPITA PERSONAL INCOME ^c	UNEMPLOYMENT RATE ^d
2012	9,372	N/A	N/A	14.3%
2011	9,555	461,678,490	48,318	13.8%
2010	9,544	452,299,704	47,391	14.1%
2009	10,230	475,654,080	46,496	13.3%
2008	10,271	489,649,383	47,673	7.9%
2007	10,345	469,869,900	45,420	5.8%
2006	10,537	456,937,005	43,365	6.4%
2005	10,583	430,808,640	40,686	5.9%
2004	10,671	414,062,832	39,516	6.9%
2003	10,703	396,829,822	37,958	7.5%

Source:

a Population information provided by the NJ Department of Labor & Workforce Development

b Personal income calculated using population and per capita personal income

c Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

No employers are currently located within the municipality that have in excess of 100 full time employees.

**MOUNT HOLLY SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	66	72	72	76	92	91	95	92	92	89
Special Education	30	27	23	22	19	21	23	23	23	20
Other Special Education	15	14	14	14	11	26	30	30	30	30
Other Instruction	11	9	9	7	8	15	11	11	11	11
Support Services:										
Student & Instruction Related Services	8	8	8	8	5	7	5	5	5	5
School Administrative Services	13	10	11	11	11	11	11	11	11	11
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	15	14	13	14	15	17	17	17	17	17
Total	164	160	156	158	167	194	198	195	195	189

Source: District Personnel Records

**MOUNT HOLLY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	a OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF ^b	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) ^c	AVERAGE DAILY ATTENDANCE (ADA) ^c	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2013	1,040	\$18,547,057	17,834	-2.12%	103	1-10.2	1-9.9	1,047	977	7.06%	93.31%
2012	981	17,874,514	18,221	-5.26%	102	1-10.2	1-8.7	978	926	-0.81%	94.68%
2011	993	19,097,351	19,232	-2.55%	95	1-12.5	1-7.7	986	929	-2.28%	94.22%
2010	998	19,695,528	19,735	1.68%	98	1-12.1	1-7.6	1,009	949	1.93%	94.05%
2009	1,019	19,778,507	19,410	-1.81%	114	1-9.0	1-7.8	990	937	-0.51%	94.62%
2008	1,042	20,597,971	19,768	5.62%	108	1-9.6	1-8.9	995	934	-3.49%	93.87%
2007	1,073	20,082,455	18,716	9.47%	116	1-9.5	1-8.3	1,031	965	-7.37%	93.63%
2006	1,083	18,515,865	17,097	10.17%	114	1-11	1-11	1,113	988	-1.59%	88.77%
2005	1,122	17,412,216	15,519	-1.39%	112	1-11.2	1-11.2	1,131	1,053	2.63%	93.10%
2004	1,108	17,436,713	15,737	11.15%	117	1-9	1-9	1,102	1,024	-1.08%	92.92%

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MOUNT HOLLY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Elementary Schools:										
Brainerd Elementary:										
Square Feet	37,123	37,123	37,123	37,123	37,123	37,123	37,123	37,123	37,123	37,123
Capacity (Students)	340	340	340	340	340	340	340	340	340	340
Enrollment	390	407	390	379	296	292	297	312	309	309
Follwell Elementary (1950):										
Square Feet	50,435	50,435	50,435	50,435	50,435	50,435	50,435	50,435	50,435	50,435
Capacity (Students)	450	450	450	450	450	450	450	450	450	450
Enrollment	328	267	286	308	290	285	291	287	316	330
Holbein Elementary (1964):										
Square Feet	90,673	90,673	90,673	90,673	90,673	90,673	90,673	90,673	90,673	90,673
Capacity (Students)	650	650	650	650	650	650	650	650	650	650
Enrollment	322	318	317	310	433	425	446	484	497	469
Other:										
Central Administration:										
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

Number of Schools at June 30, 2013:

 Elementary = 2

 Middle School = 1

 Senior High School = 0

 Other = 0

Source: District Facilities Office

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

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

* SCHOOL FACILITIES	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
John Brainerd School	\$ 28,231	\$ 8,281	\$ 6,475	\$ 20,210	\$ 26,077	\$ 14,784	\$ 28,343	\$ 19,538	\$ 14,971	\$ 21,616
Gertrude Folwell School	46,045	20,707	17,388	27,219	19,901	39,030	32,542	49,495	39,428	40,816
Anna Heller School	-	-	-	-	-	28,504	11,547	24,748	19,729	21,553
F.W. Holbein Schools	47,284	89,308	29,596	55,760	59,507	22,139	32,541	36,469	28,452	33,342
Total School Facilities	<u>\$ 121,560</u>	<u>\$ 118,296</u>	<u>\$ 53,459</u>	<u>\$ 103,189</u>	<u>\$ 105,485</u>	<u>\$ 104,457</u>	<u>\$ 104,973</u>	<u>\$ 130,250</u>	<u>\$ 102,580</u>	<u>\$ 117,327</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**MOUNT HOLLY SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy (1):		
Building & Contents (All Locations):		
Limits of Liability per Occurrence	\$150,000,000	500
Comprehensive General Liability	10,000,000	-
Comprehensive Automobile Liability	10,000,000	-
Boiler & Machinery Liability	125,000,000	1,000
Crime Coverage - Employee Dishonesty	500,000	500
 Educator's Legal Liability (1)	 10,000,000	 -
 Pollution Legal Liability (1)	 3,000,000	 25,000
 Workers' Compensation (1)	 Statutory	 -
 Supplemental Workers' Compensation (1)	 Statutory	 -
 Student Accident (2)	 1,000,000	 -
 Surety Bonds:		
Board Secretary (4)	250,000	-

(1) Burlington County Insurance Pool Joint Insurance Fund

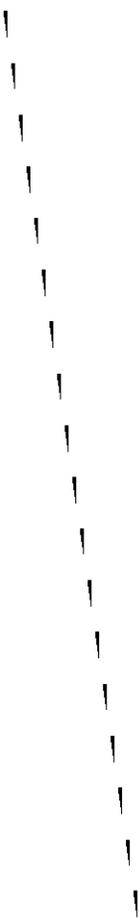
(2) Standard Security Life Ins. Co.

(3) Selective Insurance Company.

(4) Ohio Casualty Insurance Company.

Source: District records.

SINGLE AUDIT SECTION





HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members
of the Board of Education
Mount Holly School District
County of Burlington
Mount Holly, New Jersey 08060

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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities and the aggregate remaining fund information of Mount Holly Board of Education, as of and for the year ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Mount Holly Board of Education's basic financial statements, and have issued our report thereon dated September 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mount Holly Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mount Holly Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Mount Holly 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 Mount Holly 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Mount Holly Board of Education, in a separate letter dated September 10, 2013.

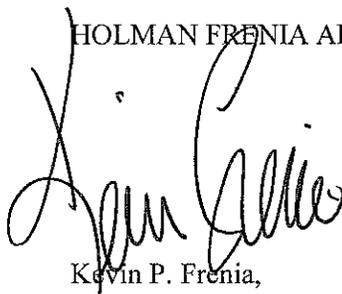
Purpose of this Report

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.

This report is intended solely for the information of the audit committee, management, the Mount Holly Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Kevin P. Frenia,
Public School Accountant
Certified Public Accountant
No. 1011

Medford, New Jersey
September 10, 2013



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04.**

Honorable President and Members
of the Board of Education
Mount Holly School District
County of Burlington
Mount Holly, New Jersey 08060

Report on Compliance for Each Major Federal and State Program

We have audited Mount Holly Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. Mount Holly 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 Mount Holly 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*; the *New Jersey State Aid/Grant Compliance Supplement*; the *Schedule of Expenditures of State Financial Assistance*; the *audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 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 Mount Holly 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 or state program. However, our audit does not provide a legal determination of Mount Holly Board of Education's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Mount Holly 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 or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Mount Holly 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 Mount Holly 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 or 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 or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 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 Mount Holly 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 or state 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.

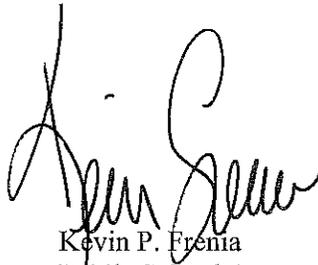
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the management of the Mount Holly Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is stylized with a large initial "K" and a long, sweeping underline.

Kevin P. Frenia
Public School Accountant
Certified Public Accountant
No. 1011

Medford, New Jersey
September 10, 2013

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	BALANCE AT JUNE 30, 2013 (ACCOUNTS DUE TO RECEIVABLE) GRANTOR	
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Food Distribution Program	10.565	N/A	\$ 32,106	7/1/12-6/30/13	\$ -	\$ 32,106	\$ (32,106)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	N/A	225,803	7/1/11-6/30/12	(11,681)	11,681	-	-	-	-
National School Lunch Program	10.555	N/A	242,180	7/1/12-6/30/13	-	224,916	(242,180)	-	(17,264)	-
National Breakfast Program	10.553	N/A	36,409	7/1/11-6/30/12	(2,201)	2,201	-	-	-	-
National Breakfast Program	10.553	N/A	53,133	7/1/12-6/30/13	-	48,673	(53,133)	-	(4,460)	-
Special Milk Program	10.556	N/A	1,422	7/1/11-6/30/12	(56)	56	-	-	-	-
Special Milk Program	10.556	N/A	1,390	7/1/12-6/30/13	-	1,302	(1,390)	-	(88)	-
Healthy Hungry Kids Act	10.551	N/A	4,327	7/1/12-6/30/13	-	3,835	(4,327)	-	(492)	-
Total U.S. Department of Agriculture					(13,938)	324,770	(333,136)	-	(22,304)	-
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Special Revenue Fund:										
Title I - Prior Year	84.010	NCLB471012	421,997	9/1/11-8/31/12	(104,249)	109,284	(5,035)	-	-	-
Title I - Current Year	84.010	NCLB471013	447,018	9/1/12-8/31/13	-	285,279	(443,465)	-	(158,186)	-
Title II - A - Prior Year	84.367A	NCLB471012	126,143	9/1/11-8/31/12	(45,905)	48,844	(2,939)	-	-	-
Title II - A - Current Year	84.367A	NCLB471013	108,960	9/1/12-8/31/13	-	67,830	(108,895)	-	(41,065)	-
Title III - Current Year	84.365A	NCLB471013	20,631	9/1/12-8/31/13	-	7,990	(20,631)	-	(12,641)	-
I.D.E.A. Part B, Basic Prior Year	84.027	FT-3430-12	373,681	9/1/11-8/31/12	(97,213)	143,299	(46,086)	-	-	-
I.D.E.A. Part B, Basic Current	84.027	FT-3430-13	380,061	9/1/12-8/31/13	-	271,974	(352,153)	(1,944)	(82,123)	-
I.D.E.A. B - Preschool - Prior Year	84.173	PS-3430-12	11,042	9/1/11-8/31/12	-	4,880	(4,880)	-	-	-
I.D.E.A. B - Preschool - Current	84.173	PS-3430-13	14,013	9/1/12-8/31/13	-	-	(6,748)	-	(6,748)	-
Race To The Top	84.416	N/A	33,608	9/1/12-8/31/13	-	-	(8,750)	-	(8,750)	-
Total Special Revenue Fund					(247,367)	939,380	(999,582)	(1,944)	(309,513)	-
General Fund:										
Education Jobs Fund	84.410A	N/A	357,543	9/1/11-8/31/12	(37,608)	37,608	-	-	-	-
Education Jobs Fund	84.410A	N/A	892	9/1/12-8/31/13	-	-	(892)	-	(892)	-
Medical Assistance Program	93.778	N/A	63,460	7/1/11-6/30/12	(22,237)	22,237	-	-	-	-
Medical Assistance Program	93.778	N/A	70,333	7/1/12-6/30/13	-	46,452	(70,333)	-	(23,881)	-
Total General Fund					(59,845)	106,297	(71,225)	-	(24,773)	-
Total U.S. Department of Education					(307,212)	1,045,677	(1,070,807)	(1,944)	(334,286)	-
Total Federal Financial Assistance					\$ (321,150)	\$ 1,370,447	\$ (1,403,943)	\$ (1,944)	\$ (356,590)	\$ -

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2013			MEMO	
								(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
Equalization Aid	495-034-5120-078	\$7,809,619	7/1/12-6/30/13	\$ -	\$ 7,809,619	\$ (7,809,619)	\$ -	\$ -	\$ -	\$ -	\$ 703,989	\$ 7,809,619
Adjustment Aid	495-034-5120-085	1,059,003	7/1/12-6/30/13	-	1,059,003	(1,059,003)	-	-	-	-	95,463	1,059,003
Categorical Transportation Aid	495-034-5120-014	130,598	7/1/12-6/30/13	-	130,598	(130,598)	-	-	-	-	11,773	130,598
Categorical Security Aid	495-034-5120-084	255,919	7/1/12-6/30/13	-	255,919	(255,919)	-	-	-	-	23,069	255,919
Categorical Special Education Aid	495-034-5120-089	526,591	7/1/12-6/30/13	-	526,591	(526,591)	-	-	-	-	47,469	526,591
Reimbursement of Nonpublic Transportation	13-103190	4,176	7/1/12-6/30/13	-	-	(4,176)	-	(4,176)	-	-	-	4,176
Reimbursement of Nonpublic Transportation	12-103190	3,828	7/1/11-6/30/12	(3,828)	3,828	-	-	-	-	-	-	-
Extraordinary Aid	100-034-5120-473	83,185	7/1/12-6/30/13	-	-	(83,185)	-	(83,185)	-	-	-	83,185
Extraordinary Aid	100-034-5120-473	78,086	7/1/11-6/30/12	(78,086)	78,086	-	-	-	-	-	-	-
Homeless Tuition Aid	N/A	31,610	7/1/11-6/30/12	(31,610)	31,610	-	-	-	-	-	-	-
Homeless Tuition Aid	N/A	203,897	7/1/12-6/30/13	-	-	(203,897)	-	(203,897)	-	-	-	203,897
Reimbursed TPAF Contributions (Nonbudgeted)	100-034-5095-001	1,082,929	7/1/12-6/30/13	-	1,082,929	(1,082,929)	-	-	-	-	-	1,082,929
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	560,756	7/1/12-6/30/13	-	533,429	(560,756)	-	(27,327)	-	-	-	560,756
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	549,083	7/1/11-6/30/12	(26,936)	26,936	-	-	-	-	-	-	-
Total General Fund				(140,460)	11,538,548	(11,716,673)	-	(318,585)	-	-	881,763	11,716,673
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Textbook Aid	100-034-5120-064	10,802	7/1/11-6/30/12	238	-	-	(238)	-	-	-	-	-
Textbook Aid	100-034-5120-064	10,727	7/1/12-6/30/13	-	10,727	(10,398)	-	-	-	329	-	10,398
Nursing Aid	100-034-5120-070	14,888	7/1/12-6/30/13	-	14,888	(14,888)	-	-	-	-	-	14,888
Technology Aid	100-034-5120-373	3,959	7/1/12-6/30/13	-	3,959	(3,939)	-	-	-	20	-	3,939
Auxiliary Services:												
Compensatory Education	100-034-5120-067	39,296	7/1/12-6/30/13	-	39,296	(18,977)	-	-	-	20,319	-	18,977
Compensatory Education	100-034-5120-067	28,741	7/1/11-6/30/12	254	-	-	(254)	-	-	-	-	-
Transportation	100-034-5120-067	1,121	7/1/11-6/30/12	1,002	-	-	(1,002)	-	-	-	-	-
Transportation	100-034-5120-067	1,184	7/1/12-6/30/13	-	1,184	(99)	-	-	-	1,085	-	99
Handicapped Services:												
Examination & Classification	100-034-5120-066	14,333	7/1/11-6/30/12	1	-	-	(1)	-	-	-	-	-
Examination & Classification	100-034-5120-066	14,970	7/1/12-6/30/13	-	14,970	(11,628)	-	-	-	3,342	-	11,628
English as a Second Language	100-034-5120-067	690	7/1/11-6/30/12	345	-	-	(345)	-	-	-	-	-
Corrective Speech	100-034-5120-067	15,797	7/1/11-6/30/12	631	-	-	(631)	-	-	-	-	-
Corrective Speech	100-034-5120-067	16,405	7/1/12-6/30/13	-	16,405	(11,637)	-	-	-	4,768	-	11,637
Supplemental Instruction	100-034-5120-066	10,963	7/1/12-6/30/13	-	10,963	(10,896)	-	-	-	67	-	10,896
Early Childhood Program Aid	100-034-5120-025	583,288	7/1/06-6/30/07	314,094	-	(49,272)	-	-	264,822	-	-	49,272
Total Special Revenue Fund				316,565	112,392	(131,734)	(2,471)	-	264,822	29,930	-	131,734
Enterprise Fund:												
State School Lunch Program	100-010-3360-067	5,788	7/1/11-6/30/12	(297)	297	-	-	-	-	-	-	-
State School Lunch Program	100-010-3360-067	5,824	7/1/12-6/30/13	-	5,408	(5,824)	-	(416)	-	-	-	5,824
Total Enterprise Fund				(297)	5,705	(5,824)	-	(416)	-	-	-	5,824
Total State Financial Assistance				\$175,808	\$ 11,656,645	(11,854,231)	\$ (2,471)	\$ (319,001)	\$ 264,822	\$ 29,930	\$ 881,763	\$ 11,854,231
Less: Grants Not Subject to New Jersey OMB Circular 04-04:												
On-Behalf TPAF Contributions	100-034-5095-001	1,082,929	7/1/12-6/30/13			\$ 1,082,929						
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						\$ (10,771,302)						

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013**

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Board of Education, Mount Holly Board of Education. The Board of Education is defined in Note 1 to the District's basic financial statements. All Federal and State awards received directly from Federal and State agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on 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. This basis of accounting is described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) 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 *N.J.S.A.18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,448 for the general fund and \$9,926 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 11,726,121	\$ 71,225	\$ 11,797,346
Special Revenue Fund	136,267	1,004,975	1,141,242
Food Service Fund	5,824	333,136	338,960
Total Financial Assistance	<u>\$ 11,868,212</u>	<u>\$ 1,409,336</u>	<u>\$ 13,277,548</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and 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 Contributions 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.

Note 6. Federal and State Loans Outstanding

The Mount Holly Board of Education had no loan balances outstanding at June 30, 2013.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Noted
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to basic financial Statements noted?	None Noted

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Noted
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Noted
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	None Noted

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.556	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.367	Title II – Improving Teacher Quality Grant

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal Control over major programs:

- | | |
|----------------------------------------------------------------------------------------------|------------|
| 1) Material weakness(es) identified? | None Noted |
| 2) Significant deficiencies identified that are not considered
To be material weaknesses? | None Noted |

Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
------------------------------------------------------------------	-------------------

Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04?	None Noted
-------------------------------------------------------------------------------------------------------------------	------------

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
100-034-5095-002	Reimbursed TPAF Social Security
N/A	Reimbursed Homeless Tuition Aid

Dollar threshold used to distinguish between type A and type B programs:	\$323,139
--------------------------------------------------------------------------	-----------

Auditee qualified as low-risk auditee?	No
----------------------------------------	----

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings

**MOUNT HOLLY SCHOOL DISTRICT
BOARD OF EDUCATION**

Mount Holly, New Jersey
County of Burlington

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for The Year Ended June 30, 2013**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**REPORT OF INDEPENDENT AUDITORS -
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

Honorable President and Members
of the Board of Education
Mount Holly
County of Burlington
Mount Holly New Jersey 08060

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the general purpose financial statements of the Board of Education of the Mount Holly School District in the County of Burlington for the year ended June 30, 2013, and have issued our report thereon dated September 10, 2013.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Mount Holly Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Keyin P. Frenia
Public School Accountant
No. 1011

Medford, New Jersey
September 10, 2013



Honorable President and Members
of the Board of Education of the
School District of Mount Holly
County of Burlington
Mount Holly, New Jersey 08060

**ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the School Business Administrator/Board Secretary and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Official Bonds

Name	Position	Amount
Evon DiGangi	Business Administrator/Board Secretary	\$250,000

There is a Public Employee's Faithful Performance Blanket Position Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$10,000.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll agency account.

Payroll Account (continued):

All payrolls were approved by the Superintendent and were certified by the President of the Board and the School Business Administrator/Board Secretary.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6A:23-1.2* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer were found to be in satisfactory condition.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001.

The E.S.E.A./N.C.L.B. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I, Title II, title III, Title IV and Title V of the Elementary and Secondary Education Act amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Other Special Federal and/or State Projects (continued):

Our audit of the Federal and State funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A.18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website <http://www.state.nj.us/njded/pscl/index.html>.

N.J.S.A.18A:18A-3 states:

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2 (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A.18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore,

School Purchasing Programs (continued):

except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement.”

Effective July 1, 2010 and thereafter the bid thresholds in accordance with *N.J.S.A.18A:18A-2* and *18A:18A-3(a)* are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.18A:39-3* is currently \$17,500. The Mt. Holly Township Board of Education currently has a Qualified Purchasing Agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year (contract year for July 1, 2010 and thereafter). Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.18A:18A-4*.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company and is depositing and expending program monies in accordance with *N.J.S.A.18A:17-34* and *19-1* through *19-4.1*.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status

School Food Service (continued):

of the school food service. Net cash resources did not exceed three months average expenditures. No exceptions were noted.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

Student Body Activities

The financial transactions of student body activities were maintained in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2012 Application for State School Aid (A.S.S.A.) for On-Roll, private schools for the handicapped and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of On Roll status reported in the 2012-2013 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for

Pupil Transportation (continued):

the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-up on Prior Years' Findings

There were no prior year findings.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or should you desire any assistance, please call me.

Respectfully submitted,

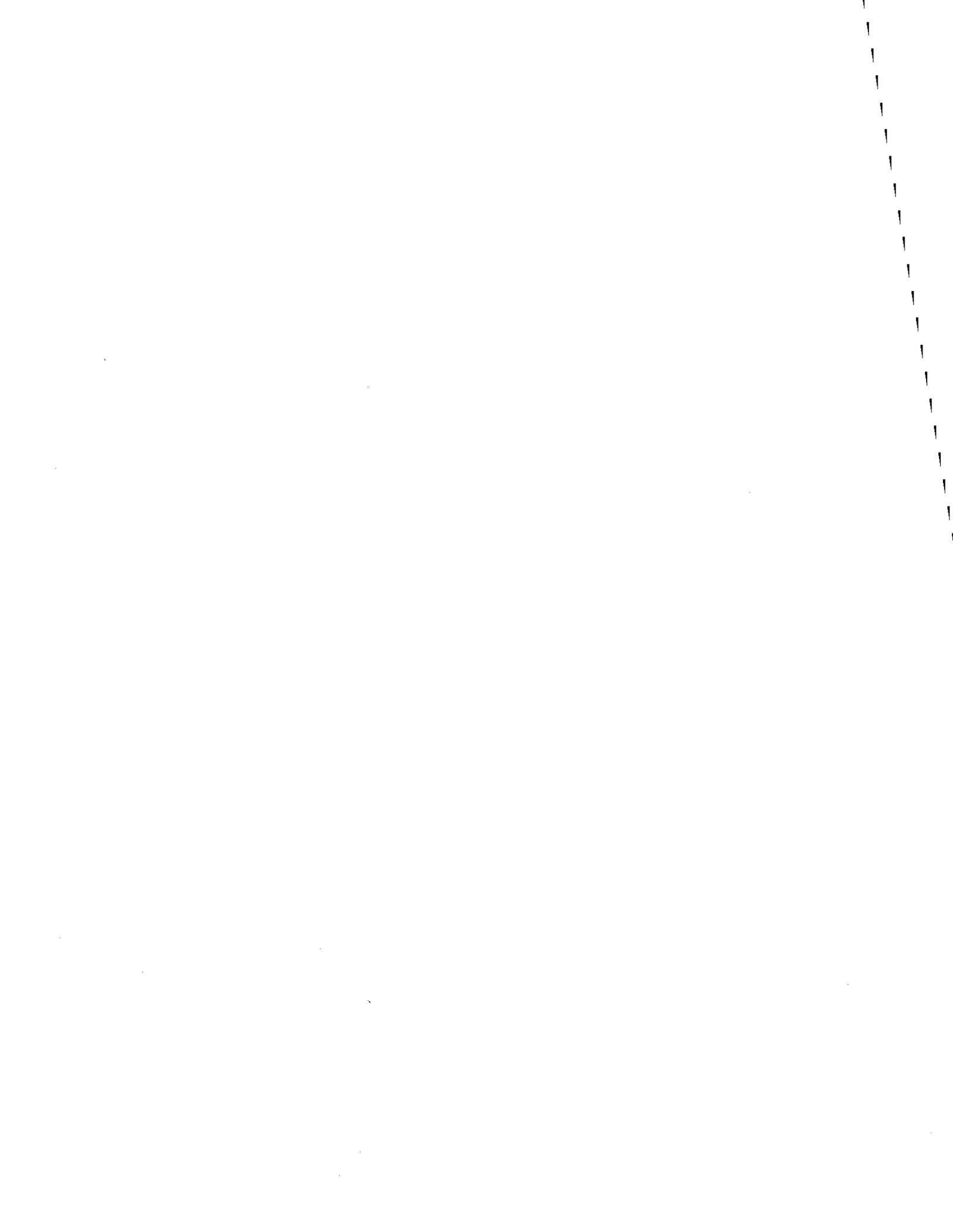
HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large, looping initial "K".

Kevin P. Frenia
Certified Public Accountant
Public School Accountant
No. 1011

Medford, New Jersey
September 10, 2013

ADDITIONAL INFORMATION



SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL

**MOUNT HOLLY SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(MEMORANDUM ONLY)**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
School Lunch Program (Regular Rate)	Paid	32,142	32,142	32,142	NONE	0.2900	NONE
	Reduced	11,919	11,919	11,919	NONE	2.4800	NONE
	Free	70,590	70,590	70,590	NONE	2.8800	NONE
	Total	114,651	114,651	114,651			
School Breakfast Program (Regular Rate)	Paid	4,146	4,146	4,146	NONE	0.2700	NONE
	Reduced	2,206	2,206	2,206	NONE	1.5000	NONE
	Free	26,267	26,267	26,267	NONE	1.8500	NONE
	Total	32,619	32,619	32,619			

SCHEDULE OF MEAL COUNT ACTIVITY - STATE

MOUNT HOLLY SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(MEMORANDUM ONLY)

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
School Lunch Program (Regular Rate)	Paid	32,142	32,142	32,142	NONE	0.0400	NONE
	Reduced	11,919	11,919	11,919	NONE	0.0550	NONE
	Free	70,590	70,590	70,590	NONE	0.0550	NONE
	Total	114,651	114,651	114,651			

SCHEDULE OF AUDITED ENROLLMENTS (1)

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	2013-2014 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	53	-	53	-	-	-	21	-	21	-	-	-	-	-	-	-
Full Day Kindergarten	109	-	109	-	-	-	30	-	30	-	-	-	-	-	-	-
One	90	-	90	-	-	-	22	-	22	-	-	-	-	-	-	-
Two	109	-	109	-	-	-	30	-	30	-	-	-	-	-	-	-
Three	76	-	76	-	-	-	22	-	22	-	-	-	-	-	-	-
Four	87	-	87	-	-	-	18	-	18	-	-	-	-	-	-	-
Five	61	-	61	-	-	-	21	-	21	-	-	-	-	-	-	-
Six	82	-	82	-	-	-	19	-	19	-	-	-	-	-	-	-
Seven	84	-	84	-	-	-	21	-	21	-	-	-	-	-	-	-
Eight	78	-	78	-	-	-	19	-	19	-	-	-	-	-	-	-
Subtotal	829	-	829	-	-	-	223	-	223	-	-	-	-	-	-	-
Special Ed - Elementary	81	-	81	-	-	-	16	-	16	-	-	-	2	2	2	-
Special Ed - Middle School	71	-	71	-	-	-	15	-	15	-	-	-	4	4	4	-
Subtotal	152	-	152	-	-	-	31	-	31	-	-	-	6	6	6	-
Totals	981	-	981	-	-	-	254	-	254	-	-	-	6	6	6	-

Percentage Error

SCHEDULE OF AUDITED ENROLLMENTS (2)

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
	Half Day Preschool	22	22	-	10	10	-	-	-	-	-	-
Full Day Kindergarten	58	58	-	22	22	-	4	4	-	3	3	-
One	48	48	-	15	15	-	2	2	-	2	2	-
Two	56	56	-	18	18	-	3	3	-	2	2	-
Three	43	43	-	16	16	-	2	2	-	1	1	-
Four	43	43	-	13	13	-	1	1	-	1	1	-
Five	35	35	-	13	13	-	2	2	-	1	1	-
Six	39	39	-	15	15	-	3	3	-	2	2	-
Seven	46	46	-	16	16	-	1	1	-	1	1	-
Eight	37	37	-	14	14	-	-	-	-	-	-	-
Subtotal	427	427	-	152	152	-	18	18	-	13	13	-
Special Ed - Elementary	61	61	-	23	23	-	6	6	-	4	4	-
Special Ed - Middle	56	56	-	22	22	-	-	-	-	-	-	-
Subtotal	117	117	-	45	45	-	6	6	-	4	4	-
Totals	544	544	-	197	197	-	24	24	-	17	17	-
Percentage Error			-			-			-			-

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	8	8	-	4	4	-
Reg -SpEd, col. 4	25	25	-	18	18	-
Transported - Non-Public, col. 3	24	24	-	22	22	-
Special Ed Spec, col. 6	24	24	-	18	18	-
Totals	81	81	-	62	62	-
Percentage Error			-			-

SCHEDULE OF AUDITED ENROLLMENTS (3)

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Kindergarten	2	2	-	2	2	-
One	2	2	-	2	2	-
Two	1	1	-	1	1	-
Three	-	-	-	-	-	-
Four	1	1	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Subtotal	6	6		5	5	
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	1	1	-	1	1	-
Subtotal	1	1	-	1	1	-
Totals	7	7	-	6	6	-
Percentage Error			-			-

EXCESS SURPLUS CALCULATION

REGULAR DISTRICTS

SECTION 1

A. 2% Calculation of Excess Surplus

2012-2013 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>18,465,321</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ <u> -</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ <u> -</u> (B1b)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,643,685</u> (B2a)
Assets Acquired Under Capital Leases:	\$ <u> -</u> (B2b)
Adjusted 2012-2013 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>16,821,636</u> (B3)
2% of adjusted 2012-2013 General Fund Expenditures [(B3) times .02]	\$ <u>336,433</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>336,433</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>75,861</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$ <u>412,294</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 06-30-2013 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>5,855,646</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>342,863</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u> -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>519,616</u> (C3)
Other Restricted Fund Balances ****	\$ <u>3,950,280</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u> -</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>1,042,887</u> (U)

REGULAR DISTRICTS (continued):

SECTION 3

Restricted Fund Balance - Excess Surplus *** {(U)-(M)} IF NEGATIVE ENTER -0- \$ 630,593 (E)

Recapitulation of Excess Surplus as of June 30, 2013

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>519,616</u> (C3)
Reserved Excess Surplus *** [(E)]	\$ <u>630,593</u> (E)
Total [(C3) + (E)]	\$ <u><u>1,150,209</u></u> (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid, Additional Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>71,685</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>4,176</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ <u>75,861</u> (K)

** This amount represents the June 30, 2013 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2013 CAFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government such as the judicial branch of government must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal	\$ <u>-</u>
Sale/Lease-Back Reserve	\$ <u>-</u>
Capital Reserve	\$ <u>2,686,673</u>
Maintenance Reserve	\$ <u>1,013,607</u>
Emergency Reserve	\$ <u>250,000</u>
Tuition Reserve	\$ <u>-</u>
Other State/Government Mandated Reserve	\$ <u>-</u>
Other Restricted Fund Balance Not Noted Above ****	\$ <u>-</u>
Total Other Restricted Fund Balance	\$ <u><u>3,950,280</u></u> (C4)