

**SCHOOL DISTRICT OF
MOUNT HOLLY**

Mount Holly, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

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

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INTRODUCTORY SECTION

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Mount Holly Township Public Schools

School Business Office
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December 4, 2015

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, 2015. 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:

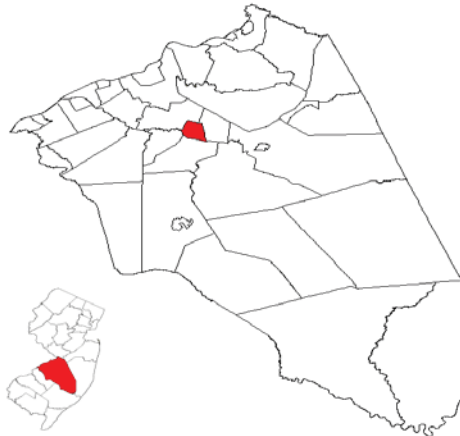
1. The Introductory Section contains a table of contents, this Letter of Transmittal, List of Principle Officials, and an Organizational Chart of the School District.
2. The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic 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 1,004 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 2014-15 fiscal year with an enrollment of 1004 students, which is one student less than the previous year's average daily 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 progressing with some townhomes recently occupied and many under construction. 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>
2014-15	977	-2.8%
2013-14	1005	-3.9%
2012-13	1046	6.6%
2011-12	981	-1.2%
2010-11	993	-0.5%
2009-10	998	-2.1%
2008-09	1,019	-2.2%

Outlook for the Future: Fiscal Year 2015-16 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 sources are state aid and property tax revenue. The district's overall anticipated revenues from state and federal sources will have no increase for 2015-16 while salaries and expenses continue to rise above the limited levy. The difficulty will be due to the flat 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.

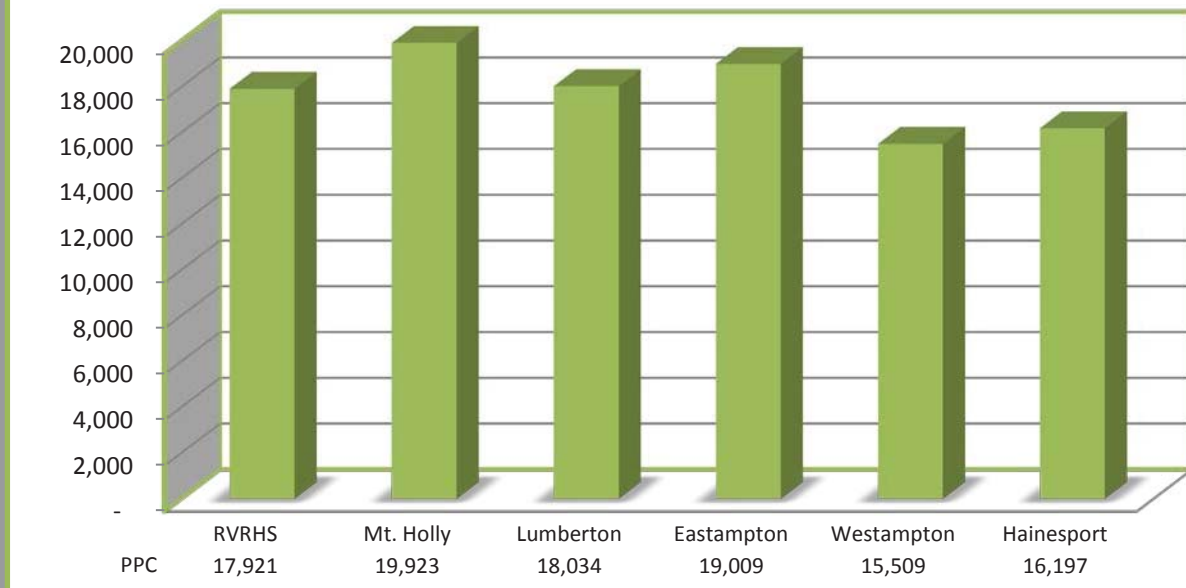
The Mount Holly Public Schools are on the road to continuous improvement. We encourage all parents to join us by being actively involved in their children's education. There is not a better gift to give than a quality education. Working together, we prepare our children for the challenges of the 21st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

The District has highly competent teaching, supervisory and administrative staff with approximately 65% 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 \$44,400 was reimbursed to staff to help defray the cost of college tuition. An additional \$28,984 was expended on workshops and conferences.

In July 2015, the New Jersey Department of Education released its 2015 Taxpayer's Guide to Education Spending for all school districts in the State for the 2013-14 School Year. 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 \$19,923 per pupil while the state average is \$19,212. According to the report, similar district average per pupil cost is \$18,596.

For the 2014-2015 school year our district budgeted \$15,979 per pupil. Over the same time frame, the state average was \$15,067. 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.

Per Pupil Spending Within Region



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,



James DiDonato
Superintendent



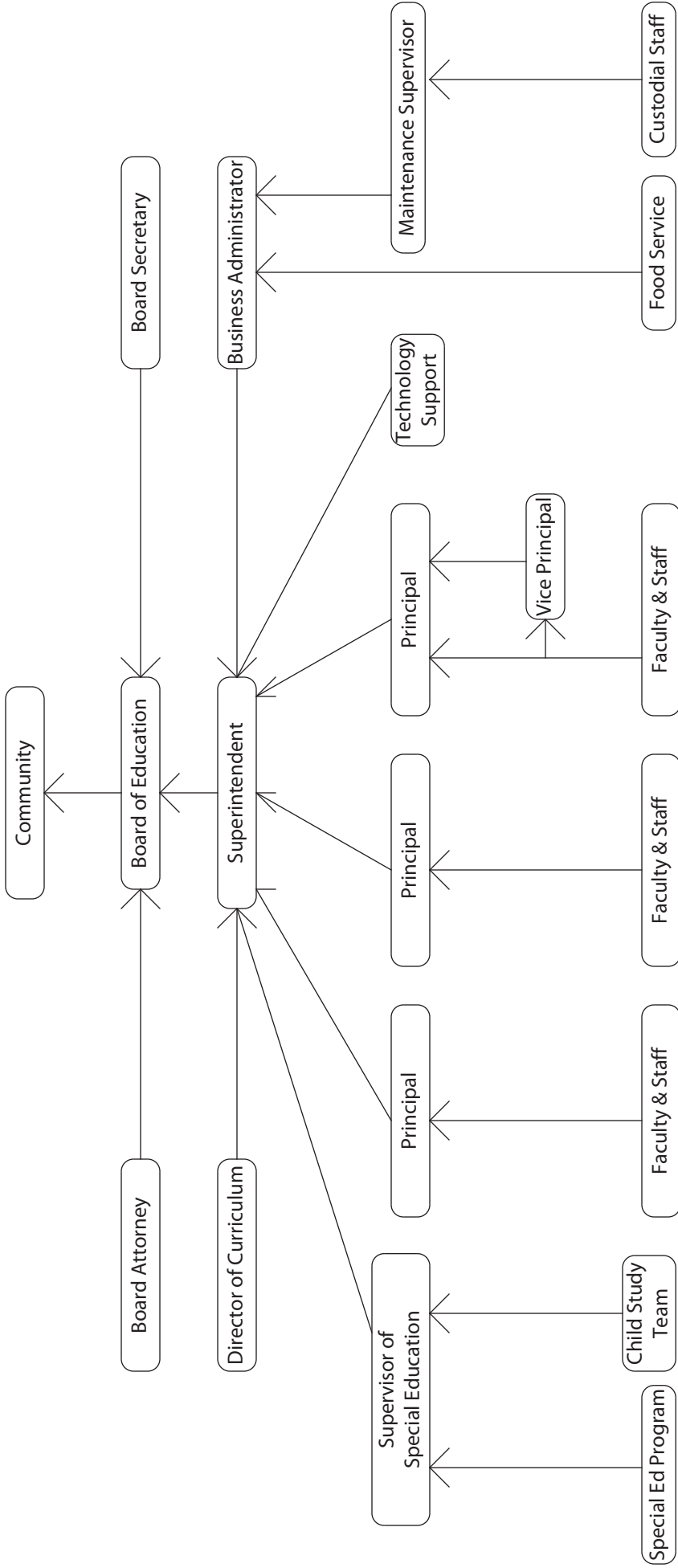
Evon DiGangi, CPA
School Business Administrator/Board Secretary

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MOUNT HOLLY TOWNSHIP PUBLIC SCHOOLS

Organizational Chart

(Unit Control)



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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Samuel Reale, President

2017

Janet DiFolco, Vice President

2016

Becky Browning

2018

Will Monk

2015

Cynthia Regn

2016

OTHER OFFICIALS

James E. DiDonato, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Frank Cavallo, Esq., Solicitor

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MOUNT HOLLY SCHOOL DISTRICT

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Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

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Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Investors Bank
Iselin, NJ

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, 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; 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 District'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 District'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, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mount Holly School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance 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(s) 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records

used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Mount Holly School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mount Holly School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 4, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015. 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.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Account Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-15) and the prior year (2013-14) is required to be presented in the MD&A.

As described in Note 1 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of 14,190,618, as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have not been updated to reflect this change.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ⇒ Total assets increased by \$9,907,261 as cash and cash equivalents increased by \$5,094,631, receivables increased by \$1,659,726, net capital assets increased by \$2,831,352 and Deferred Outflows Related to Pensions increased by 321,552.
- ⇒ General Fund revenues accounted for \$19,521,772 in revenue, or 88 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$1,047,439 or 5 percent of all revenues. Capital projects in the form of State grants and bond proceeds, accounted for \$1,708,556 or 8 percent of total revenues of \$22,277,767.
- ⇒ The School District had \$22,254,899 in total expenditures; \$10,527,365 of which represents salaries and benefits for the district or approximately 47 percent of expenditures for the fiscal year ending June 30, 2015.
- ⇒ The Food Service Enterprise Fund had a decrease in net position of \$24,366 in 2015 compared to a decrease of \$8,275 in 2014.
- ⇒ The total Fund Balance per Governmental funds was \$12,439,828. The School District expended \$1,652,957 out of capital reserve and added \$1,356,107 to capital reserve, \$112,825 was expended out of maintenance reserve and \$0 was added to emergency reserve as of June 30, 2015.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)**

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.

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 2015?" 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)**

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 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 59 to 88 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 position 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 2014 and 2015.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)

TABLE 1 - NET POSITION

Description	Governmental Activities		Business-Type Activities	
	2014	2015	2014	2015
ASSETS -				
Current assets	\$ 6,054,466	\$ 12,824,854	\$ 127,785	\$ 111,754
Capital assets, net	13,813,877	16,656,382	42,161	31,008
Total assets	\$ 19,868,343	\$ 29,481,236	\$ 169,946	\$ 142,762
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	\$ -	\$ 321,552	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	\$ 19,868,343	\$ 29,802,788	\$ 169,946	\$ 142,762
LIABILITIES -				
Current liabilities	\$ 437,726	\$ 580,140	\$ 10,473	\$ -
Noncurrent liabilities	863,908	11,749,717	-	-
Total liabilities	\$ 1,301,634	\$ 12,329,857	\$ 10,473	\$ -
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	\$ -	\$ 469,051	\$ -	\$ -
Total Liabilities and Deferred Inflows of Resources	\$ 1,301,634	\$ 12,798,908	\$ 10,473	\$ -
NET POSITION -				
Net Investment in capital assets	\$ 13,560,207	\$ 16,362,715	\$ 42,161	\$ 31,008
Restricted	6,055,912	5,638,337	-	-
Unrestricted	(1,049,410)	(4,997,172)	117,312	104,099
Total net position	\$ 18,566,709	\$ 17,003,880	\$ 159,473	\$ 135,107

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)**

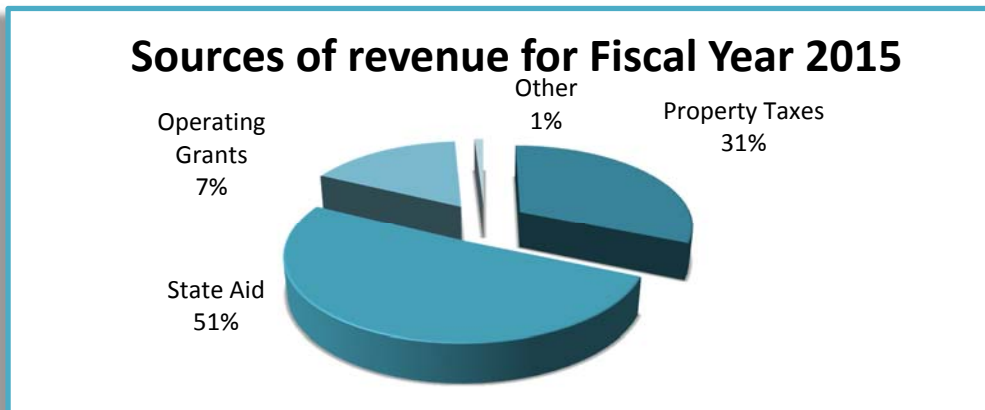
The District's combined net position were \$17,138,987 on June 30, 2015. This was an decrease of 8.47% percent from the prior year.

Table 2 shows changes in net position for fiscal year 2014 and 2015.

Description	CHANGES IN NET ASSETS		Business-Type Activities	
	Governmental Activities		2014	2015
	2014	2015	2014	2015
REVENUES -				
Program Revenues:				
Charges for services	\$ -	\$ -	\$ 144,327	\$ 137,893
Operating grants & contributions	2,539,068	4,345,764	364,394	347,101
General Revenues:				
Property Taxes	7,350,372	7,400,372	-	-
Grants & entitlements	10,252,864	12,014,357	-	-
Other	590,475	231,667	108	95
Adjustment of Fixed Assets	-	-	5,921	-
Total Revenues	\$ 20,732,779	\$ 23,992,160	\$ 514,750	\$ 485,089
EXPENSES -				
Instruction	\$ 8,002,180	\$ 8,147,880	\$ -	\$ -
Tuition	870,391	844,523	-	-
Related services	1,958,042	1,963,948	-	-
General administration	1,060,401	1,047,009	-	-
Central services	418,467	448,173	-	-
Operations & maintenance	1,574,198	1,833,142	-	-
Transportation	325,450	339,534	-	-
Employee benefits	4,262,067	6,180,343	-	-
Food service	-	-	523,025	509,455
Compensated absences	(118,023)	118,547	-	-
Other	132,723	255,799	-	-
Total Expenses	\$ 18,485,896	\$ 21,178,898	\$ 523,025	\$ 509,455
Incr. in Net Assets before Transfers	\$ 2,246,883	\$ 2,813,262	\$ (8,275)	\$ (24,366)
Changes in Net Assets	\$ 2,246,883	\$ 2,813,262	\$ (8,275)	\$ (24,366)
Net Assets - July 1	16,319,826	14,190,618	167,748	159,473
Net Assets - June 30	\$ 18,566,709	\$ 17,003,880	\$ 159,473	\$ 135,107

Governmental Activities

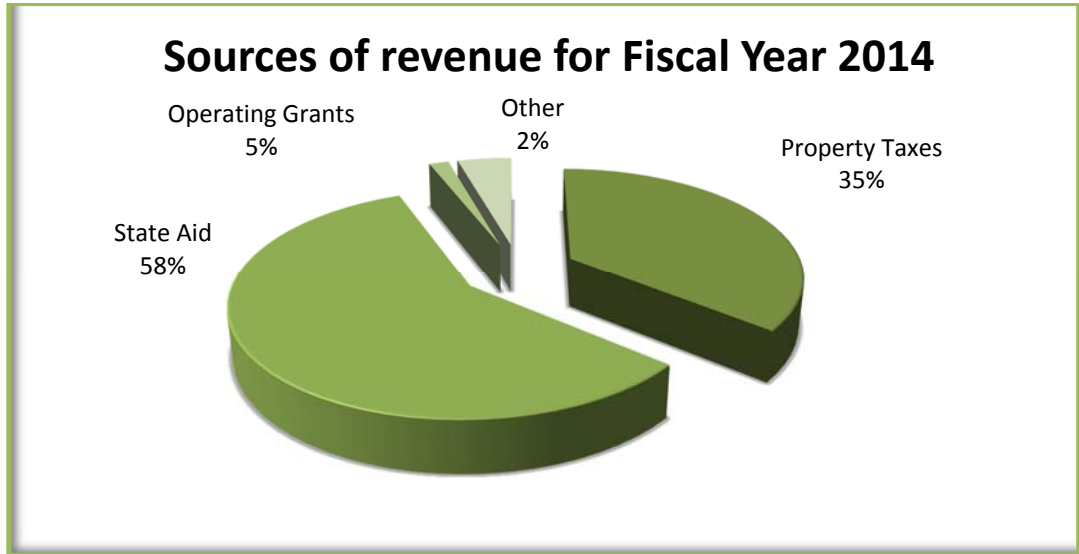
Property taxes made up 31 percent of revenues for fiscal year 2015 and 35 percent for fiscal year 2014. The District's total revenue for governmental activities was \$23,595,513 for the year ended June 30, 2015. Federal and state aid, accounted for another 58 percent of revenue.



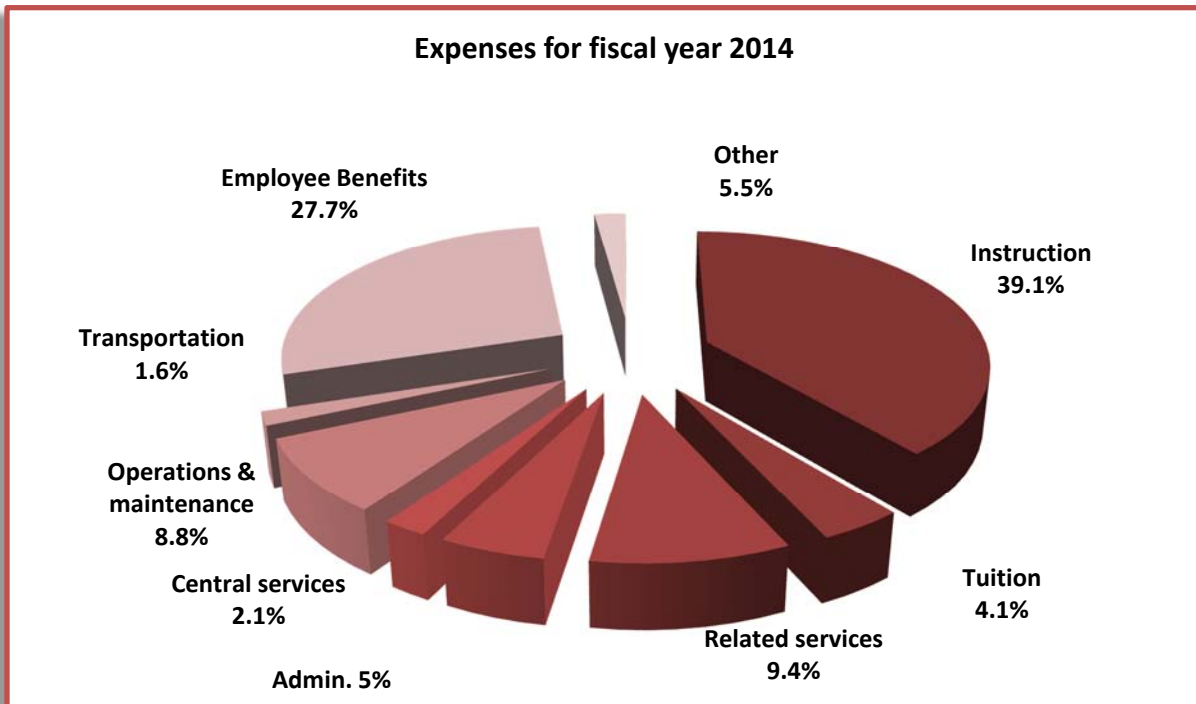
MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)

Governmental Activities (continued)



The total cost of all programs and services was \$20,852,251. Instruction and benefits comprised 65.5% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$24,366.
- Charges for services represent \$137,893 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 \$347,101.

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.

TABLE 3 - Net Cost of Services				
Description	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	\$ 8,002,180	\$ 7,088,618	\$ 8,147,880	\$ 7,330,531
Support Services:				
Pupils and Instructional staff	2,828,433	2,565,305	2,808,471	2,578,381
Administration	1,060,401	1,060,401	1,495,182	1,495,182
Operation and Maint.	1,574,198	1,574,198	1,833,142	1,833,142
Pupil transportation	325,450	325,450	339,534	339,534
Employee benefits	4,262,067	2,899,689	6,180,343	2,882,018
Other	433,167	433,167	374,346	374,346
Total Expenses	\$ 18,485,896	\$ 15,946,828	\$ 21,178,898	\$ 16,833,134

- 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (Continued)**

Governmental Activities (continued)

- 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, special revenue fund, and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$29,077,987 and expenditures were \$22,254,899 in 2015. The net change in fund balance for the year was most significant in the Capital Projects Fund – an increase of \$6,730,082. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Fund Budgeting Highlights

The 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 \$58,632. Revenues from tuition exceeded budget by \$162,954.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$195,866 and special education budgeted cost exceeded actual expenses by \$97,132.
- ❖ Budgeted tuition cost exceeded actual by approximately \$154,354. 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, 2015
UNAUDITED (Continued)**

General Fund Budgeting Highlights (continued)

- ❖ Budgeted administrative costs exceeded actual by approximately \$32,602. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$24,974 less than budgeted due to the utilization of purchasing through Co-operatives.
- ❖ Overall the budget projected a use of \$630,593 in fund balance where there was an actual addition to fund balance of \$ 6,823,088.

Capital Assets

At the end of the fiscal year 2015, the School District had \$16,687,390 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 5 shows fiscal year 2015 balances compared to 2014.

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

Description	2014	2015
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Construction in progress	2,048,285	4,809,534
Buildings & improvements	5,778,492	6,033,528
Equipment	2,994,790	3,041,758
Less: Accumulated Depreciation	(6,794,190)	(7,014,938)
Governmental activities - capital assets, net	\$ 13,813,877	\$ 16,656,382
Business-Type Activities:		
Food Service Equipment	331,690	331,690
Less: Accumulated Depreciation	(289,529)	(300,682)
Business-Type Activities - capital assets, net	42,161	31,008
TOTAL ALL CAPITAL ASSETS, NET	\$ 13,856,038	\$ 16,687,390







Overall capital assets increased \$2,831,352 from fiscal year 2014 to fiscal year 2015. The increase in capital assets is caused by building renovations and asset purchases.

For more detailed information, please refer to **Note 5** 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, 2015
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.
-  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 will continue to increase its participation in shared service and inter-local service agreements over the coming years.
-  The District has passed a referendum and received a grant from the New Schools Development Authority for Capital Improvements. The completed projects from the 2014-2015 school year included: new HVAC and fire alarm systems for the Gertrude C. Folwell and John Brainerd schools. Projects scheduled for the 2015-2016 school year include: a new roof, security doors and kitchen renovations at the Gertrude C. Folwell School; security door installation at the John Brainerd School; and security doors, a new HVAC and fire alarm system at the F.W. Holbein School.
-  It is important that the District continues to support expenditures for capital maintenance of our schools.
-  The District administrative team and Board of Education must work diligently to come up with new ideas for revenues and streamline expenditures.

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

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A. Government-Wide Financial Statements

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MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 6,300,086	\$ 78,264	\$ 6,378,350
Receivables, Net	2,344,193	33,490	2,377,683
Restricted Assets:			
Cash & Cash Equivalents	4,180,575	-	4,180,575
Capital Assets, Net (Note 5)	16,656,382	31,008	16,687,390
Total Assets	29,481,236	142,762	29,623,998
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	321,552	-	321,552
Total Deferred Outflow of Resources	321,552	-	321,552
Total Assets and Deferred Outflow of Resources	29,802,788	142,762	29,945,550
LIABILITIES			
Accounts Payable	83,088	-	83,088
Payable to State Government	35,188	-	35,188
Unearned Revenue	266,750	7,655	274,405
PERS Pension Payable	195,114	-	195,114
Noncurrent Liabilities (Note 7):			
Due Within One Year	55,886	-	55,886
Due Beyond One Year	11,693,831	-	11,693,831
Total Liabilities	12,329,857	7,655	12,337,512
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	469,051	-	469,051
Total Deferred Inflow of Resources	469,051	-	469,051
Total Liabilities and Deferred Inflow of Resource	12,798,908	7,655	12,806,563
NET POSITION			
Net Investment in Capital Assets	16,362,715	31,008	16,393,723
Restricted For:			
Debt Service	17,762	-	17,762
Other Purposes	5,620,575	-	5,620,575
Unrestricted	(4,997,172)	104,099	(4,893,073)
Total Net Position	\$ 17,003,880	\$ 135,107	\$ 17,138,987

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, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities						
Instruction:						
Regular	\$ 5,387,538	\$ -	\$ 817,349	\$ (4,570,189)	\$ -	\$ (4,570,189)
Special Education	2,320,943	-	-	(2,320,943)	-	(2,320,943)
Other Instruction	439,399	-	-	(439,399)	-	(439,399)
Support Services & Undistributed Costs:						
Tuition	844,523	-	-	(844,523)	-	(844,523)
Student & Instruction Related Services	1,963,948	-	230,090	(1,733,858)	-	(1,733,858)
General Administrative Services	353,946	-	-	(353,946)	-	(353,946)
School Administrative Services	693,063	-	-	(693,063)	-	(693,063)
Central Services	448,173	-	-	(448,173)	-	(448,173)
Plant Operations & Maintenance	1,833,142	-	-	(1,833,142)	-	(1,833,142)
Pupil Transportation	339,534	-	-	(339,534)	-	(339,534)
Unallocated Employee Benefits	6,180,343	-	3,298,325	(2,882,018)	-	(2,882,018)
Change in Long-Term Debt	118,547	-	-	(118,547)	-	(118,547)
Unallocated Depreciation & Amortization	255,799	-	-	(255,799)	-	(255,799)
Total Governmental Activities:	21,178,898	-	4,345,764	(16,833,134)	-	(16,833,134)
Business-Type Activities:						
Food Service	509,455	137,893	347,101	-	(24,461)	(24,461)
Total Business-Type Activities:	509,455	137,893	347,101	-	(24,461)	(24,461)
Total Primary Government:	\$ 21,688,353	\$ 137,893	\$ 4,692,865	(16,833,134)	(24,461)	(16,857,595)

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, 2015**

	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	7,400,372	-	7,400,372
Federal & State Aid Not Restricted	12,014,357	-	12,014,357
Tuition	162,954	-	162,954
Investment Earnings	23,608	95	23,703
Miscellaneous Income	45,105	-	45,105
	<u>19,646,396</u>	<u>95</u>	<u>19,646,491</u>
Total General Revenues, Special Items, Extraordinary Items & Transfer			
Change In Net Position	2,813,262	(24,366)	2,788,896
Net Position - Beginning (Restated) - See Note 15	14,190,618	159,473	14,350,091
Net Position - Ending	<u>\$ 17,003,880</u>	<u>\$ 135,107</u>	<u>\$ 17,138,987</u>

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

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B. Fund Financial Statements

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Governmental Funds

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**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 549,367	\$ -	\$ 5,750,719	\$ -	\$ 6,300,086
Other Receivable	616,698	-	-	-	616,698
Intergovernmental Accounts Receivable	311,133	310,260	1,112,194	-	1,733,587
Interfund Receivable	30	-	-	17,762	17,792
Restricted Cash & Cash Equivalents	4,180,575	-	-	-	4,180,575
Total Assets	\$ 5,657,803	\$ 310,260	\$ 6,862,913	\$ 17,762	\$ 12,848,738
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 6,122	\$ -	\$ -	\$ 6,122
Interfund Payable	-	-	17,762	-	17,762
Accounts Payable	80,888	2,200	-	-	83,088
Intergovernmental Account Payable:					
State	-	35,188	-	-	35,188
Unearned Revenue	-	266,750	-	-	266,750
Total Liabilities	80,888	310,260	17,762	-	408,910
Fund Balances:					
Restricted for:					
Excess Surplus	720,000	-	-	-	720,000
Capital Reserve Account	3,064,793	-	-	-	3,064,793
Emergency Reserve	250,000	-	-	-	250,000
Maintenance Reserve	865,782	-	-	-	865,782
Excess Surplus - Designated for Subsequent Year's Expenditures	720,000	-	-	-	720,000
Committed for:					
Capital Projects	-	-	6,845,151	-	6,845,151
Assigned to:					
Debt Service Fund	-	-	-	17,762	17,762
Unassigned:					
General Fund	(43,660)	-	-	-	(43,660)
Total Fund Balances	5,576,915	-	6,845,151	17,762	12,439,828
Total Liabilities & Fund Balances	\$ 5,657,803	\$ 310,260	\$ 6,862,913	\$ 17,762	

Amounts reported for *governmental activities* in the statement of net position (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 \$23,671,320 and the accumulated depreciation is \$7,014,938.	16,656,382
PERS pension payable is not recorded in the fund financial statements due to the fact that the payable is not due in the current period.	(195,114)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the fund financial statements.	(147,499)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7)	(11,749,717)
Net Position of Governmental Activities	\$ 17,003,880

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,400,372	\$ -	\$ -	\$ -	\$ 7,400,372
Tuition Charges	162,954	-	-	-	162,954
Interest Earned	5,846	-	17,762	-	23,608
Miscellaneous	36,637	8,468	-	-	45,105
Total Local Sources	<u>7,605,809</u>	<u>8,468</u>	<u>17,762</u>	<u>-</u>	<u>7,632,039</u>
State Sources	11,823,874	65,958	1,690,794	-	13,580,626
Federal Sources	92,089	973,013	-	-	1,065,102
Total Revenues	<u>19,521,772</u>	<u>1,047,439</u>	<u>1,708,556</u>	<u>-</u>	<u>22,277,767</u>
Expenditures:					
Instruction:					
Regular	\$ 4,570,189	\$ 817,349	\$ -	\$ -	\$ 5,387,538
Special Education	2,320,943	-	-	-	2,320,943
Other Instruction	439,399	-	-	-	439,399
Support Services & Undistributed Costs:					
Tuition	844,523	-	-	-	844,523
Student & Instruction Related Services	1,733,858	230,090	-	-	1,963,948
General Administrative Services	353,946	-	-	-	353,946
School Administrative Services	693,063	-	-	-	693,063
Central Services	434,896	-	-	-	434,896
Plant Operations & Maintenance	1,762,335	-	-	-	1,762,335
Pupil Transportation	339,534	-	-	-	339,534
Unallocated Employee Benefits	4,478,534	-	-	-	4,478,534
Capital Outlay	474,991	-	2,761,249	-	3,236,240
Total Expenditures	<u>18,446,211</u>	<u>1,047,439</u>	<u>2,761,249</u>	<u>-</u>	<u>22,254,899</u>
Other Financing Sources\ (Uses):					
Bond Proceeds	-	-	6,800,220	-	6,800,220
Transfer from Capital Reserve	(1,000,317)	-	1,000,317	-	-
Transfer (In)/(Out)	-	-	(17,762)	17,762	-
Total Other Financing Sources\ (Uses)	<u>(1,000,317)</u>	<u>-</u>	<u>7,782,775</u>	<u>17,762</u>	<u>6,800,220</u>
Net Change in Fund Balances	75,244	-	6,730,082	17,762	6,823,088
Fund Balance - July 1	5,501,671	-	115,069	-	5,616,740
Fund Balance - June 30	<u>\$ 5,576,915</u>	<u>\$ -</u>	<u>\$ 6,845,151</u>	<u>\$ 17,762</u>	<u>\$ 12,439,828</u>

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, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 6,823,088

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	\$	(255,799)	
Deletions & Adjustments		(26,032)	
Capital Outlay		<u>3,124,336</u>	2,842,505

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Proceeds of long-term debt - Net			(6,939,000)
----------------------------------	--	--	-------------

Repayment of capital lease principal 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.

53,852

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2015		177,045	
State Share of Unfunded TPAF Pension Expense		1,714,393	
Unfunded TPAF Pension Expense		(1,714,393)	
Pension Expense		<u>(164,461)</u>	12,584

Decrease 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		(590,005)	
Prior Year		<u>610,238</u>	20,233

Change in Net Position of Governmental Activities \$ 2,813,262

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

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Proprietary Funds

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EXHIBIT B-4
MOUNT HOLLY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Current Assets:	
Cash	\$ 78,264
Intergovernmental Accounts Receivables	19,378
Accounts Receivables - Other	1,196
Inventories	<u>12,916</u>
Total Current Assets	<u>111,754</u>
Fixed Assets:	
Equipment	331,690
Less: Accumulated Depreciation	<u>(300,682)</u>
Total Fixed Assets	<u>31,008</u>
Total Assets	<u>142,762</u>
LIABILITIES	
Unearned Revenue	<u>7,655</u>
Total Liabilities	<u>7,655</u>
NET POSITION	
Net Investment in Capital Assets	31,008
Unreserved Retained Earnings	<u>104,099</u>
Total Net Position	<u><u>\$ 135,107</u></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, 2015**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$	78,268
Daily Sales Non-Reimbursable Programs		16,769
Satellite Lunch Program - Westampton		26,840
Special Functions		16,016
		<hr/>
Total Operating Revenues		137,893
		<hr/>
Operating Expenses:		
Salaries and Benefits		191,468
Supplies & Materials		16,490
Depreciation		11,153
Management Fee		16,650
Cost of Sales		268,705
Direct Services		4,989
		<hr/>
Total Operating Expenses		509,455
		<hr/>
Operating Income/(Loss)		(371,562)
		<hr/>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program		5,492
Federal Sources:		
National School Lunch Program		235,155
National School Breakfast Program		69,928
Special Milk Program		1,127
Food Distribution Program		29,131
Healthy Hungry Kids Act		6,268
Interest Revenue		95
		<hr/>
Total Nonoperating Revenues/(Expenses)		347,196
		<hr/>
Net Income/(Loss)		(24,366)
Net Position - July 1		159,473
		<hr/>
Net Position - June 30	\$	135,107
		<hr/> <hr/>

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, 2015**

EXHIBIT B-6

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 135,979
Payments to Employees	(191,468)
Payments to Suppliers	(276,680)
	<hr/>
Net Cash Provided/(Used) by Operating Activities	(332,169)
	<hr/>
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	327,362
	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	327,362
	<hr/>
Cash Flows From Investing Activities:	
Interest & Dividends	95
	<hr/>
Net Cash Provided/(Used) by Investing Activities	95
	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,712)
Balances - Beginning of Year	82,976
	<hr/>
Balances - End of Year	\$ 78,264
	<hr/> <hr/>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (371,562)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	11,153
Food Distribution Program	29,131
(Increase)/Decrease in Receivables	(244)
(Increase)/Decrease in Inventories	2,171
Increase/(Decrease) in Accounts Payable	(1,148)
Increase/(Decrease) in Unearned Revenues	(1,670)
	<hr/>
Total Adjustments	39,393
	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (332,169)
	<hr/> <hr/>

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

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Fiduciary Fund

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**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>	AGENCY FUND	<u>TOTALS JUNE 30, 2015</u>
Cash & Cash Equivalents	\$ 172,435	\$ 9,127	\$ 181,562
Total Assets	<u>172,435</u>	<u>9,127</u>	<u>181,562</u>
LIABILITIES			
Interfund Payable	-	30	30
Due to Student Groups	-	9,097	9,097
Total Liabilities	<u>-</u>	<u>9,127</u>	<u>9,127</u>
NET POSITION			
Reserve for Unemployment Compensation	<u>172,435</u>	-	<u>172,435</u>
Total Net Position	<u>\$ 172,435</u>	<u>\$ -</u>	<u>\$ 172,435</u>

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

EXHIBIT B-8
MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>PRIVATE</u> <u>PURPOSE</u> <u>UNEMPLOYMENT</u> <u>COMPENSATION</u> <u>TRUST</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 16,589
Total Contributions	<u>16,589</u>
Investment Earnings:	
Interest	<u>170</u>
Net Investment Earnings	<u>170</u>
Total Additions	<u>16,759</u>
DEDUCTIONS:	
Unemployment Claims	<u>20,142</u>
Total Deductions	<u>20,142</u>
Change in Net Position	(3,383)
Net Position - July 1	<u>175,818</u>
Net Position - June 30	<u><u>\$ 172,435</u></u>

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, 2015**

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MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies

The financial statements of the Mount Holly School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

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 Board of Education. The Board consists of 5 members elected to three-year terms and is responsible for the fiscal control of the District. The terms are staggered so that members’ terms expire each year. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 8. The Mount Holly School District has an approximate enrollment at June 30, 2015 of 998 students.

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

- ◆ 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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust 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 the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education 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:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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 and Exhibit C-2, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

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.

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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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 District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings & Improvements	10-50 years
Equipment	5-7 years
Light Trucks & Vehicles	7 years
Heavy Trucks & Vehicles	7 years

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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 4, 2015, which is the date the financial statements were available to be issued.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2015 and reported at fair value are as follows:

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 2. Cash and Cash Equivalents (continued):

(GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

Type	Carrying Value
Deposits	
Demand Deposits	\$ 10,740,487
Total Deposits	<u>\$ 10,740,487</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 10,480,661
Business-Type Activities	78,264
Fiduciary Funds	<u>181,562</u>
Total Cash and Cash Equivalents	<u>\$ 10,740,487</u>

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$11,971,347 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured	216,871
Collateralized in the District's Name Under GUDPA	<u>11,504,476</u>
Total	<u>\$11,971,347</u>

Note 3. 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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 3,361,643
Budgeted Withdrawals	1,652,957
Transfers by Resolution	<u>1,356,107</u>
Ending Balance, June 30, 2015	<u>\$ 3,064,793</u>

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 \$865,782 at June 30, 2015.

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 978,607
Budgeted Withdrawals	<u>112,825</u>
Ending Balance, June 30, 2015	<u>\$ 865,782</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 Emergency Reserve Account is maintained in the general fund and has a balance of \$250,000 at June 30, 2015.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

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 to exceed \$1 million.

The activity of the maintenance reserve for the June 30, 2014 to June 30, 2015 fiscal year is as follows:

Ending Balance, June 30, 2015 & 2014	<u>\$</u>	<u>250,000</u>
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Note 4. Transfers to Capital Outlay

During the year ending June 30, 2015, the District transferred \$85,263 to capital outlay accounts.

Note 5. 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, 2015:

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 9,786,500	\$ -	\$ -	\$ -	\$ 9,786,500
Construction in progress	2,048,285	2,761,249	-	-	4,809,534
<hr/>					
Total capital assets not being depreciated	11,834,785	2,761,249	-	-	14,596,034
<hr/>					
Buildings and improvements	5,778,492	192,161	-	62,875	6,033,528
Machinery and equipment	2,994,789	170,926	(38,000)	(85,957)	3,041,758
<hr/>					
Subtotal	8,773,281	363,087	(38,000)	(23,082)	9,075,286
Less: accumulated depreciation:					
Buildings and improvements	(4,622,170)	(94,990)	-	(1,162)	(4,718,322)
Machinery and equipment	(2,172,019)	(160,809)	34,200	2,012	(2,296,616)
<hr/>					
Total accumulated depreciation	(6,794,189)	(255,799)	34,200	850	(7,014,938)
<hr/>					
Total capital assets being depreciated, net	1,979,092	107,288	(3,800)	(22,232)	2,060,348
<hr/>					
Governmental activities capital assets, net	\$ 13,813,877	\$ 2,868,537	\$ (3,800)	\$ (22,232)	\$ 16,656,382
<hr/>					

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 5. Fixed Assets (continued):

Business-Type Activities

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
Machinery & Equipment	\$ 331,690	\$ -	\$ -	\$ -	\$ 331,690
Subtotal	331,690	-	-	-	331,690
Accumulated Depreciation	(289,529)	(11,153)	-	-	(300,682)
Total	\$ 42,161	\$ (11,153)	\$ -	\$ -	\$ 31,008

Note 6. Receivables

Receivables at June 30, 2015 consisted of governmental grants, local tax levy and food service special functions. 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.

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	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 311,133	\$ -	\$ 1,112,194	\$ 468	\$ 1,423,795
Federal Aid	-	310,260	-	18,910	329,170
Other	616,698	-	-	1,196	617,894
Total	\$ 927,831	\$ 310,260	\$ 1,112,194	\$ 20,574	\$ 2,370,859

Note 7. Long-Term Obligations

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations:

	June 30, <u>2014</u>	<u>Issued</u>	<u>Retired</u>	June 30, <u>2015</u>	<u>Due Within One Year</u>
Capital Leases Payable	\$ 253,670	\$ -	\$ 53,852	\$ 199,818	\$ 55,886
Bonds Payable	-	6,939,000	-	6,939,000	-
Net Pension Liability	4,376,091	-	355,197	4,020,894	-
Compensated Absences Payable	610,238	-	20,233	590,005	-
Total	\$ 5,239,999	\$ 6,939,000	\$ 429,282	\$ 11,749,717	\$ 55,886

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations (continued):

A. Obligations Under Capital Leases

The District is leasing copiers totaling \$284,171 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, 2015:

Year Ending June 30,	Amount
2016	\$ 62,376
2017	62,376
2018	62,376
2019	<u>25,990</u>
Total Minimum Lease Payments	213,118
Less: Amount Representing Interest	<u>(13,300)</u>
Present Value of Lease Payments	<u>\$ 199,818</u>

B. Bonds Payable:

In May 2014, the voters of the municipality through referendums authorized Bonds in accordance with state law. All Bonds are retired in serial installments within the statutory period of usefulness. These Bonds, issued by the Board, are General Obligation Bonds.

Purpose of Issue

The proceeds of the Bonds will be used to finance various improvements to the John Brainerd Elementary School, Gertrude Fowell Elementary School and F.W. Holbein Middle School. In conjunction with the issuance of the Bonds, a grant was obtained from the New Jersey Economic Development Authority to assist with the funding of these various improvements. Payments are due each July 15th and January 15th commencing July 15, 2016 at an interest rate of 3.00% to 3.50%.

Principal and Interest due on the Bond outstanding is as follows:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations (continued):

Year-ending June 30,	Principal	Interest	Total
2016	-	322,898	322,898
2017	240,000	211,665	451,665
2018	255,000	204,240	459,240
2019	275,000	196,290	471,290
2020	285,000	187,890	472,890
2021-2025	1,590,000	801,975	2,391,975
2026-2030	1,960,000	538,425	2,498,425
2031-2035	2,334,000	200,993	2,534,993
Total	\$ 6,939,000	\$ 2,664,375	\$ 9,603,375

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 177,045	100%	\$ 4,020,894
6/30/2014	172,525	100%	4,376,091
6/30/2013	190,501	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$16,234,490 for its proportionate share of the PERS net pension liability. The net pension liability was

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .02147%, which was an decrease of .00141% from its proportion measured as of June 30, 2013.

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 321,552	\$ 177,045
Deferred Inflows of Resources	\$ 469,051	N/A
Net Pension Liability	\$ 4,020,894	\$ 4,376,091
District's portion of the Plan's total net pension Liability	0.02148%	0.02290%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$164,461. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 126,438	\$ -
Net difference between projected and actual earnings on pension plan investments	-	239,623
Changes in proportion and differences between District contributions and proportionate share of contributions	-	229,428
District contributions subsequent to the measurement date	195,114	-
Total	<u>\$ 321,552</u>	<u>\$ 469,051</u>

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The \$195,114 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>PERS</u>
2016	\$ (63,917)
2017	(63,917)
2018	(63,917)
2019	(63,917)
2020	(63,917)
Thereafter	(23,029)

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

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>4.39%</u>	<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>	<u>1%</u> <u>Increase</u> <u>6.39%</u>
District's proportionate share of the net pension liability	\$ 5,058,421	\$ 4,020,894	\$ 3,149,635

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**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
6/30/2015	\$ 1,026,324	100%	-
6/30/2014	819,675	100%	-
6/30/2013	1,082,929	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF)

basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Defined Contribution Retirement Program (DCRP) - The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2015, employee contributions totaled \$22,730, and the District recognized pension expense of \$12,398.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 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, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. 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 benefits changed from a pre-funding 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2015.

Note 10. 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 10. Risk Management (continued):

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	Employee Contributions	Interest	Claims	Ending Balance
2014-2015	\$ 16,589	\$ 170	\$ 20,142	\$ 172,435
2013-2014	16,019	197	98,816	175,818
2012-2013	15,237	368	127,982	258,418

Note 11. 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, 2015 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 12. 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 13. Fund Balance Disclosures

General Fund – of the \$5,576,915 General Fund fund balance at June 30, 2015, \$3,064,793 has been restricted for the Capital Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$865,782 has been restricted for the Maintenance Reserve Account; \$720,000 is restricted for excess surplus designated for subsequent years expenditures; \$720,000 is restricted for excess surplus; \$-0- is assigned to designated by the School District for subsequent year’s expenditures and (\$43,660) is unassigned.

Capital Projects Fund – All of the \$6,845,151 Capital Projects Fund fund balance at June 30, 2015 is committed.

Debt Service Fund – All of the \$17,762 Debt Service Fund fund balance at June 30, 2015 is assigned.

Note 14. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 30	\$ -
Capital Projects Fund	-	17,762
Debt Service Fund	17,762	-
Trust & Agency Fund	-	30
Total	<u>\$ 17,792</u>	<u>\$ 17,792</u>

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

Note 15. 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
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MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 16. 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, 2015 is \$590,005.

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, 2015 no liability existed for compensated absences in the proprietary fund types.

Note 17. 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, 2015 is \$720,000.

Note 18. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(4,997,172) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for net pension liability and 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 and net pension liability 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 take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 19. Restatement of Prior Period Net Position

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 18,566,709
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(4,376,091)
PERS Pension Payable	177,045
Deferred Outflows - district contributions made during fiscal year 2014	(177,045)
Total prior period adjustment	(4,376,091)
Net Position as restated, July 1, 2014	\$ 14,190,618

Note 20. Subsequent Events- Bond Anticipation Note

In July 2015 the Board of Education issued bond anticipation notes in the amount of \$3,000,000 to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	\$ 7,400,372	\$ -	\$ 7,400,372	\$ -
Local Sources:	2,000	-	2,000	3,846
Interest on Capital Reserve	-	-	-	162,954
Tuition	-	-	-	31,637
Unrestricted Miscellaneous	5,000	-	5,000	-
Total Local Sources	7,407,372	-	7,407,372	198,437
State Sources:	128,424	-	128,424	-
Categorical Transportation Aid	537,492	-	537,492	-
Categorical Special Education Aid	7,996,220	-	7,996,220	-
Equalization Aid	265,020	-	265,020	-
Categorical Security Aid	1,059,003	-	1,059,003	-
Adjustment Aid	9,550	-	9,550	-
PARCC Readiness	9,550	-	9,550	-
Per Pupil Growth Aid	12,500	-	12,500	21,745
Extraordinary Aid	-	-	-	186,718
Other State Aid -	-	-	-	3,480
Homeless Reimbursement	-	-	-	-
Nonpublic School Transportation	-	-	-	-
Nonbudgeted:	-	-	-	-
On-Behalf TPAF Post-Retirement Medical Contributions	-	-	-	629,677
On-Behalf TPAF Pension Contributions	-	-	-	396,647
Reimbursed TPAF Social Security Contributions	-	-	-	557,608
Total State Sources	10,017,759	-	10,017,759	1,795,875
Federal Sources:	-	-	-	45,368
ARRA - Medicaid Reimbursement	33,457	-	33,457	13,264
Medicaid Reimbursement	-	-	-	-
Total Federal Sources	33,457	-	33,457	58,632
Total Revenues	17,458,588	-	17,458,588	2,052,944

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Instruction:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Pre-Kindergarten	11-105-100-101	132,079	-	132,079	401
Kindergarten	11-110-100-101	338,810	-	338,810	31,298
Grades 1 - 5	11-120-100-101	2,200,884	(54,469)	2,146,415	61,815
Grades 6 - 8	11-130-100-101	1,355,548	-	1,355,548	52,777
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	10,000	1,420	11,420	6,074
Purchased Professional & Educational Services	11-150-100-320	10,000	13,160	23,160	585
Regular Programs - Undistributed:					
Other Salaries for Instruction	11-190-100-106	152,035	(1,794)	150,241	11,662
Purchased Professional & Educational Services	11-190-100-320	197,550	(21,634)	175,916	15,806
Purchased Technical Services	11-190-100-340	19,900	108	20,008	1
Other Purchased Services	11-190-100-500	63,050	(5,100)	57,950	10,599
General Supplies	11-190-100-610	345,363	(2,711)	342,652	2,698
Textbooks	11-190-100-640	15,216	(3,510)	11,706	2,000
Other Objects	11-190-100-800	150	-	150	150
Regular Programs - Employee Benefits:					
Health Benefits	11-1xx-100-270	30,211	(30,211)	-	-
Tuition Reimbursement	11-1xx-100-280	27,000	(27,000)	-	-
Total Instruction - Regular Programs		4,897,796	(131,741)	4,766,055	195,866
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	379,322	(7,369)	371,953	26,389
Other Salaries for Instruction	11-212-100-106	86,868	7,408	94,276	2,698
Purchased Professional & Educational Services	11-212-100-320	264,800	(29,334)	235,466	28,779
General Supplies	11-212-100-610	13,670	(5,707)	7,963	-
Textbooks	11-212-100-640	900	(900)	-	-
Other Objects	11-212-100-800	200	(200)	-	-
Total Multiple Disabilities		745,760	(36,102)	709,658	57,866
Resource Room/Center:					
Salaries of Teachers	11-213-100-101	1,389,613	(10,668)	1,378,945	-
Other Salaries for Instruction	11-213-100-106	184,853	-	184,853	3,352
Purchased Professional & Educational Services	11-213-100-320	56,500	(7,112)	49,388	13,757
General Supplies	11-213-100-610	4,330	(1,752)	2,578	1,548
Other Objects	11-213-100-800	100	-	100	100
Total Resource Room/Center		1,635,396	(19,532)	1,615,864	18,757

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Preschool Disabilities - Part Time:					
Salaries of Teachers	11-215-100-101	50,879	1,750	52,629	10,657
Other Salaries for Instruction	11-215-100-106	24,102	8,075	32,177	9,285
Purchased Professional & Educational Services	11-215-100-320	5,000	2,597	7,597	542
General Supplies	11-215-100-600	150	-	150	25
Total Preschool Disabilities - Part Time		80,131	12,422	92,553	20,509
Employee Benefits - Special Education:					
Health Benefits	11-2xx-100-270	131,324	(131,324)	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-
Total Employee Benefits - Special Education		144,324	(144,324)	-	-
Total Special Education		2,605,611	(187,536)	2,418,075	97,132
Basic Skills/Remedial:					
Salaries of Teachers	11-230-100-101	57,725	29,472	87,197	87,036
Purchased Professional & Educational Services	11-230-100-320	2,000	614	2,614	-
General Supplies	11-230-100-600	-	997	997	10
Total Basic Skills/Remedial		59,725	31,083	90,808	171
Bilingual Education:					
Salaries of Teachers	11-240-100-101	132,112	1,424	133,536	-
Purchased Professional & Educational Services	11-240-100-320	3,000	-	3,000	2,381
General Supplies	11-240-100-610	750	-	750	500
Total Bilingual Education		135,862	1,424	137,286	2,881
School Sponsored Cocurricular Activities:					
Salaries of Teachers	11-401-100-101	107,557	3,572	111,129	4,152
Purchased Services	11-401-100-500	7,500	2,095	9,595	3,651
Supplies and Materials	11-401-100-600	7,300	(1,701)	5,599	3,041
Other Objects	11-401-100-800	4,425	(1,366)	3,059	1,249
Total School Sponsored Cocurricular Activities		126,782	2,600	129,382	12,093

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School Sponsored Athletics: Salaries of Teachers	11-402-100-100	11,958	-	11,958	-
Total School Sponsored Athletics		11,958	-	11,958	-
Other Instructional Programs: Salaries of Teachers Supplies and Materials	11-4XX-100-101 11-4XX-100-600	82,105 3,005	-	82,105 3,005	- 1,654
Total Other Instructional Programs		85,110	-	85,110	1,654
Before & After School Programs: Purchased Professional & Technical Services	11-421-100-300	5,000	-	5,000	3,346
Total Before & After School Programs		5,000	-	5,000	3,346
Support Services: Tuition: Tuition to Other LEA's - Within State Regular Tuition to Other LEA's - Within State Special Tuition to County Special Services & Regular Day Schools Tuition to Private Schools - Handicapped Within State Tuition- Other	11-000-100-561 11-000-100-562 11-000-100-565 11-000-100-566 11-000-100-569	63,000 - 873,331 62,546 -	30,322 - (52,945) (25,822) 48,445	93,322 - 820,386 36,724 48,445	26,967 - 109,415 17,972 -
Total Tuition		998,877	-	998,877	154,354
Attendance & Social Work Services: Salaries Other Purchased Services	11-000-211-100 11-000-211-500	58,591 1,000	-	58,591 1,000	1,904 304
Total Attendance & Social Work Services		59,591	-	59,591	2,208
Health Services: Salaries Purchased Professional & Technical Services Other Purchased Services Supplies and Materials	11-000-213-100 11-000-213-300 11-000-213-500 11-000-213-600	225,434 10,000 750 15,226	- 410 164 (5,964)	225,434 10,410 914 9,262	2,554 - 73 978
Total Health Services		251,410	(5,390)	246,020	3,605

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Speech, OT, PT, Related & Extraordinary Services:					
Salaries	11-000-216-100	224,848	-	224,848	2,759
Purchased Professional & Educational Services	11-000-216-320	70,000	48,639	118,639	19,291
Supplies and Materials	11-000-216-600	5,000	1,389	6,389	1,425
Total Speech, OT, PT, Related & Extraordinary Services:		299,848	50,028	349,876	23,475
Guidance:					
Salaries of Other Professional Staff	11-000-218-104	253,550	-	253,550	15,850
Other Purchased Services	11-000-218-500	-	1,200	1,200	-
Supplies and Materials	11-000-218-600	2,714	(606)	2,108	-
Total Guidance		256,264	594	256,858	15,850
Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	354,968	210	355,178	23,943
Salaries of Secretarial & Clerical Assistants	11-000-219-105	69,017	(53)	68,964	317
Other Purchased Professional & Technical Services	11-000-219-390	120,000	(40,214)	79,786	3,065
Other Purchased Services	11-000-219-500	18,063	(1,450)	16,613	5,247
Miscellaneous Purchased Services	11-000-219-592	1,000	(1,000)	-	-
Supplies and Materials	11-000-219-600	16,400	(3,962)	12,438	8,585
Other Objects	11-000-219-800	1,500	312	1,812	-
Total Child Study Teams		580,948	(46,157)	534,791	41,157
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	11-000-221-102	51,835	165	52,000	1,733
Salaries of Other Professional Staff	11-000-221-104	26,880	8,640	35,520	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	31,753	(165)	31,588	3,688
Other Salaries	11-000-221-108	2,000	-	2,000	2,000
Purchased Professional & Educational Services	11-000-221-320	-	4,000	4,000	3,047
Other Purchased Professional & Technical Services	11-000-221-390	4,000	(4,000)	-	-
Other Purchased Services	11-000-221-500	6,950	(4,422)	2,528	748
Supplies and Materials	11-000-221-600	4,000	5,015	9,015	4,048
Other Objects	11-000-221-800	1,250	-	1,250	134
Total Improvement of Instructional Services		128,668	9,233	137,901	15,398

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Educational Media Services - School Library:					
Salaries	11-000-222-100	98,307	53,604	151,911	130,266
Other Purchased Professional & Technical Services	11-000-222-300	5,500	(430)	5,070	5,070
Supplies and Materials	11-000-222-600	37,286	(1,000)	36,286	35,251
Other Objects	11-000-222-800	100	-	100	-
		141,193	52,174	193,367	170,587
Total Educational Media Services - School Library					22,780
Instructional Staff Training Services:					
Salaries of Supervisor of Instruction	11-000-223-102	51,835	165	52,000	50,267
Salaries of Secretarial & Clerical Assistants	11-000-223-105	8,435	(165)	8,270	8,257
Purchased Professional & Educational Services	11-000-223-320	20,000	(578)	19,422	17,942
Instructional Staff Training Services:					
Other Purchased Services	11-000-223-500	3,000	338	3,338	2,578
Supplies and Materials	11-000-223-600	1,000	(147)	853	853
Other Objects	11-000-223-800	-	30	30	-
		84,270	(357)	83,913	79,927
Total Instructional Staff Training Services					3,926
General Administration:					
Salaries	11-000-230-100	203,000	8,255	211,255	204,782
Group Insurance	11-000-230-210	1,000	(1,000)	-	-
Legal Services	11-000-230-331	66,000	473	66,473	45,597
Audit Services	11-000-230-332	25,500	-	25,500	22,500
Architectural/Engineering Services	11-000-230-334	20,000	1,781	21,781	4,905
Other Purchased Professional Services	11-000-230-339	3,000	-	3,000	-
Purchased Technical Services	11-000-230-340	10,000	-	10,000	10,000
Communications/Telephone	11-000-230-530	66,000	(6,404)	59,596	36,549
BOE Other Purchased Services	11-000-230-585	8,000	(387)	7,613	2,168
Other Purchased Services	11-000-230-590	18,906	4,387	23,293	18,936
Supplies & Materials	11-000-230-610	5,450	500	5,950	4,022
BOE In-House Training/Supplies	11-000-230-630	-	-	1,525	794
Miscellaneous Expenditures	11-000-230-890	2,325	2,083	4,408	4,369
BOE Membership Dues & Fees	11-000-230-895	10,245	1,917	12,162	9,324
		440,951	11,605	452,556	353,946
Total General Administration					98,610
School Administration:					
Salaries of Principals/Assistants	11-000-240-103	414,972	6,000	420,972	413,472
Principals					
Salaries of Secretarial & Clerical Assistants	11-000-240-105	264,327	10,400	274,727	256,243
Purchased Professional & Technical Services	11-000-240-300	750	320	320	270
Other Purchased Services	11-000-240-500	19,830	1,700	21,530	703
Supplies & Materials	11-000-240-600	4,000	3,636	7,636	18,695
Other Objects	11-000-240-800	-	(270)	-	4,771
		703,879	21,786	725,665	693,063
Total School Administration					32,602

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Central Services:					
Salaries	11-000-251-100	257,610	6,000	263,610	4,213
Purchased Professional Services	11-000-251-330	9,550	815	10,365	905
Miscellaneous Purchased Services	11-000-251-592	15,686	-	15,686	3,271
Supplies & Materials	11-000-251-600	6,870	-	6,870	2,111
Miscellaneous Expenditures	11-000-251-890	2,670	-	2,670	1,211
Total Central Services		292,386	6,815	299,201	11,711
Admin Info Technology:					
Salaries	11-000-252-100	58,779	5,000	63,779	13,227
Purchased Technical Services	11-000-252-340	74,100	23	74,123	4,096
Supplies & Materials	11-000-252-600	23,350	3,477	26,827	-
Total Admin Info Technology		156,229	8,500	164,729	17,323
Operation & Maintenance of Plant Services - Employee Benefits:					
Health Benefits	11-000-260-270	244,914	(244,914)	-	-
Total Health Benefits		244,914	(244,914)	-	-
Operation & Maintenance of Plant Services:					
Regular Maintenance School Facilities:					
Cleaning, Repairs & Maintenance Services	11-000-261-420	119,077	11,420	130,497	16,321
Travel	11-000-261-580	454	454	908	-
General Supplies	11-000-261-610	82,698	(5,502)	77,196	8,553
Other Objects	11-000-261-800	3,195	181	3,376	100
Total Regular Maintenance School Facilities		204,970	6,553	211,523	24,974
Custodial Services:					
Salaries	11-000-262-100	935,399	(52,520)	882,879	23,111
Salaries of Non-Instructional Aides	11-000-262-107	100,222	12,009	112,231	20,804
Purchased Professional & Technical Services	11-000-262-300	16,400	15,488	31,888	19,605
Cleaning, Repair & Maintenance Services	11-000-262-420	43,540	(13,940)	29,600	8,789
Rental of Land & Buildings	11-000-262-441	1,500	9,900	11,400	10,674
Other Purchased Property Services	11-000-262-490	41,000	10,267	51,267	7,203
Insurance	11-000-262-520	74,200	6,697	80,897	1,000
Miscellaneous Purchased Services	11-000-262-590	1,450	(1,450)	-	-
General Supplies	11-000-262-610	84,495	(18,117)	66,378	6,326
Energy (Natural Gas)	11-000-262-621	145,000	30,750	175,750	106,283
Energy (Electricity)	11-000-262-622	230,000	(18,498)	211,502	18,136
Total Custodial Services		1,673,206	(19,414)	1,653,792	185,115

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Care & Upkeep of Grounds:				
Cleaning, Repair & Maintenance Service	15,675	3,070	18,745	1,013
General Supplies	24,000	(2,320)	21,680	4,381
Total Care & Upkeep of Grounds	39,675	750	40,425	5,394
Security:				
Purchased Professional & Technical Services	64,000	(5,450)	58,550	1,461
Security (continued):				
Cleaning, Repair & Maintenance Service	31,366	(13,677)	17,689	3,941
General Supplies	1,850	-	1,850	904
Other Objects	600	-	600	305
Total Security	97,816	(19,127)	78,689	6,611
Total Operation & Maintenance of Plant Services	2,015,667	(31,238)	1,984,429	222,094
Student Transportation Services:				
Management Fee - ESC & CTSA Transportation Program	20,000	-	20,000	6,425
Contracted Services (Between Home & School) - Vendors	18,250	1,050	19,300	1,309
Contracted Services (Special Education Students) - ESCs & CTSA's	305,000	-	305,000	15,916
Contracted Services - Aid in Lieu of Payments	28,800	(150)	28,650	9,766
Total Student Transportation Services	372,050	900	372,950	33,416
Personal Services - Employee Benefits:				
Social Security Contributions	218,000	-	218,000	24,972
Other Retirement Contributions - Regular	240,350	-	240,350	51,390
Unemployment Benefits	40,000	-	40,000	40,000
Workman's Compensation	137,500	(8,000)	129,500	8,186
Health Benefits	2,102,747	381,209	2,483,956	250,506
Tuition Reimbursement	27,000	30,810	57,810	14,910
Other Employee Benefits	172,900	-	172,900	57,950
Total Personal Services - Employee Benefits	2,938,497	404,019	3,342,516	447,914

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	629,677 (629,677)
On-Behalf TPAF Pension Contributions		-	-	-	396,647 (396,647)
Reimbursed TPAF Social Security Contributions		-	-	-	557,608 (557,608)
Total Nonbudgeted		-	-	-	1,583,932 (1,583,932)
Total Undistributed Expenditures		9,965,642	237,598	10,203,240	(437,449)
Total Expenditures - Current Expense		17,893,486	(46,572)	17,846,914	(124,306)
Capital Outlay:		2,000	(2,000)	-	-
Interest to Capital Reserve					
Equipment:					
Regular Programs - Instruction:					
Grades 1 - 5	12-120-100-730	48,900	(2,444)	46,456	46,456
Grades 6 - 8	12-130-100-730	40,700	(1,455)	39,245	39,245
Multiple Disabilities	12-212-100-730	3,900	(778)	3,122	3,122
Administration Info Tech	12-000-252-730	10,000	3,881	13,881	13,881
Maintenance Services	12-000-261-730	23,500	107,879	131,379	69,553
Custodial Services	12-000-262-730	41,400	(22,585)	18,815	18,815
Care & Upkeep of Grounds	12-000-262-730	60,800	10,556	71,356	59,556
Security Services	12-000-266-730	27,000	(9,790)	17,210	17,210
Total Equipment		256,200	85,264	341,464	267,838
Facilities Acquisition & Construction Services:					
Architectural/Engineering					
Services	12-000-400-334	65,000	(12,210)	52,790	31,667
Construction Services	12-000-400-450	625,000	12,209	637,209	162,209
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277
Total Acquisition & Construction Services		703,277	(1)	703,276	207,153
Total Capital Outlay		961,477	83,263	1,044,740	474,991
Total Expenditures		18,854,963	36,691	18,891,654	18,446,211

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL		
	ORIGINAL BUDGET	BUDGET TRANSFERS		FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,396,375)	(36,691)	(1,433,066)	1,065,321	2,498,387
Other Financing Sources(Uses): Transfer to Capital Projects	(1,000,000)	(2,000)	(1,002,000)	(1,000,317)	1,683
Sources Over/(Under) Expenditures & Other Financing Uses	(2,396,375)	(38,691)	(2,435,066)	65,004	2,500,070
Fund Balances, July 1	6,416,255	-	6,416,255	6,416,255	-
Fund Balances, June 30	\$ 4,019,880	\$ (38,691)	\$ 3,981,189	\$ 6,481,259	\$ 2,500,070

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 38,691
Total Budget Transfers	<u>\$ 38,691</u>

RECAPITULATION

Restricted Fund Balance:		
Reserve for Excess Surplus	\$	720,000
Emergency Reserve		250,000
Maintenance Reserve		865,782
Capital Reserve Account		3,064,793
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		720,000
Assigned Fund Balance:		
ARRA- Medicaid Reimbursement		45,368
Year-End Encumbrances		432,839
Designated for Subsequent Year's Expenditures		382,477
Unassigned Fund Balance		<u>382,477</u>
Subtotal		6,481,259
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payment Not Recognized on GAAP Basis		<u>(904,344)</u>
Total Fund Balance per Governmental Funds (GAAP)		<u>\$ 5,576,915</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
Local Sources	\$ -	\$ 10,395	\$ 10,395	\$ 8,468	\$ (1,927)
State Sources	-	101,146	101,146	65,958	(35,188)
Federal Sources	1,085,592	(82,175)	1,003,417	958,706	(44,711)
Total - Revenues	1,085,592	29,366	1,114,958	1,033,132	(81,826)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	349,296	(260)	349,036	343,576	5,460
Professional Education Services	67,962	-	67,962	32,775	35,187
Other Purchased Services	362,162	(39,712)	322,450	321,055	1,395
General Supplies	79,048	18,790	97,838	95,032	2,806
Textbooks	10,605	-	10,605	10,604	1
Total Instruction	869,073	(21,182)	847,891	803,042	44,849
Support Services:					
Other Salaries	22,440	-	22,440	22,200	240
Professional Education Services	27,191	38,618	65,809	62,003	3,806
Purchased Technical Services	82,583	(3,176)	79,407	72,050	7,357
Other Employee Benefits	67,350	1,066	68,416	55,517	12,899
Other Purchased Services (400-500)	11,259	14,040	25,299	12,624	12,675
Supplies & Materials	5,696	-	5,696	5,696	-
Total Support Services	216,519	50,548	267,067	230,090	36,977
Total Expenditures	1,085,592	29,366	1,114,958	1,033,132	81,826
Total Outflows	1,085,592	29,366	1,114,958	1,033,132	81,826
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2015**

**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)	\$ 19,511,532	\$ 1,033,132
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	-	17,090
Current Year	-	(2,783)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	914,584	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(904,344)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 19,521,772</u>	<u>\$ 1,047,439</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,446,211	\$ 1,033,132
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.		
	-	14,307
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 18,446,211</u>	<u>\$ 1,047,439</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.021475994%	0.022897104%
District's proportionate share of the net pension liability (asset)	\$ 4,020,894	\$ 4,376,091
District's covered-employee payroll	\$ 1,529,152	\$ 1,576,389
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	262.95%	277.60%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 195,114	\$ 177,045
Contributions in relation to the contractually required contribution	<u>195,114</u>	<u>177,045</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,529,152	\$ 1,576,389
Contributions as a percentage of covered-employee payroll	12.76%	11.23%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE STATES'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ASSOCIATED WITH THE DISTRICT'S TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.0734036%	0.0786558%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 39,231,814	\$ 39,752,042
District's covered-employee payroll	\$ 7,742,414	\$ 7,397,391
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	NONPUBLIC			CHAPTER 192
	TEXTBOOK	NURSING	TECHNOLOGY	AUXILIARY SERVICES COMPENSATION EDUCATION
Revenues:				
State Sources	\$ 10,604	\$ 16,883	\$ 5,696	\$ 9,585
Total Revenues	\$ 10,604	\$ 16,883	\$ 5,696	\$ 9,585
Expenditures:				
Instruction:				
Professional Education Services	\$ -	\$ -	\$ -	\$ 9,585
Textbooks	10,604	-	-	-
Total Instruction	10,604	-	-	9,585
Support Services:				
Purchased Technical Services	-	16,883	-	-
Supplies & Materials	-	-	5,696	-
Total Support Services	-	16,883	5,696	-
Total Expenditures	\$ 10,604	\$ 16,883	\$ 5,696	\$ 9,585

**MOUNT HOLLY SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES
 AND EXPENDITURES - BUDGETARY BASIS
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	CHAPTER 193 HANDICAPPED SERVICES		
	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION
Revenues:			
State Sources	\$ 9,277	\$ 7,062	\$ 6,851
Total Revenues	\$ 9,277	\$ 7,062	\$ 6,851
Expenditures:			
Instruction:			
Professional Education Services	\$ 9,277	\$ 7,062	\$ 6,851
Total Instruction	9,277	7,062	6,851
Total Expenditures	\$ 9,277	\$ 7,062	\$ 6,851

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	NO CHILD LEFT BEHIND			IDEA - B	
	TITLE I PART A	TITLE II PART A	TITLE III PART A	BASIC CURRENT YEAR	PRESCHOOL CURRENT YEAR
Revenues:					
Federal Sources	\$ 441,159	\$ 107,637	\$ 18,056	\$ 381,367	\$ 10,487
Total Revenues	\$ 441,159	\$ 107,637	\$ 18,056	\$ 381,367	\$ 10,487
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 262,284	\$ 75,000	\$ 6,292	\$ -	\$ -
Other Purchased Services				308,295	10,487
General Supplies	69,157	-	10,505	9,175	-
Total Instruction	331,441	75,000	16,797	317,470	10,487
Support Services:					
Other Salaries	19,000	3,200	-	-	-
Purchased Technical Services	49,967	5,200	-	62,003	-
Other Employee Benefits	39,251	15,007	1,259	-	-
Other Purchased Services	1,500	9,230	-	1,894	-
Total Support Services	109,718	32,637	1,259	63,897	-
Total Expenditures	\$ 441,159	\$ 107,637	\$ 18,056	\$ 381,367	\$ 10,487

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PROJECT LEAD THE WAY	BASF GRANT	TARGET GRANT	2015
Revenues:				
Local Sources	\$ 2,273	\$ 4,195	\$ 2,000	\$ 8,468
State Sources	-	-	-	65,958
Federal Sources	-	-	-	958,706
Total Revenues	\$ 2,273	\$ 4,195	\$ 2,000	\$ 1,033,132
Expenditures:				
Instruction:				
Salaries of Teachers	-	-	-	\$ 343,576
Professional Education Services	-	-	-	32,775
Other Purchased Services	2,273	-	-	321,055
General Supplies	-	4,195	2,000	95,032
Textbooks	-	-	-	10,604
Total Instruction	2,273	4,195	2,000	803,042
Support Services:				
Other Salaries	-	-	-	22,200
Purchased Technical Services	-	-	-	134,053
Other Employee Benefits	-	-	-	55,517
Other Purchased Services	-	-	-	12,624
Supplies & Materials	-	-	-	5,696
Total Support Services	-	-	-	230,090
Total Expenditures	\$ 2,273	\$ 4,195	\$ 2,000	\$ 1,033,132

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2015		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ -
Total Instruction	-	-	-
Total Expenditures	\$ -	\$ -	\$ -

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2014-2015 Preschool Education Aid Allocation	\$ -
Add: Actual Preschool Education Aid Carryover (June 30, 2014)	264,822
Total Preschool Education Aid Funds Available for 2014-2015 Budget	264,822
Less: 2014-2015 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	-
Available & Unbudgeted Preschool Education Aid Funds June 30, 2015	264,822
Add: June 30, 2015 Unexpended Preschool Education Aid	-
Total Actual Preschool Education Aid Carryover	\$ 264,822
2014-2015 Preschool Education Aid Carryover Budgeted in 2015-2016	\$ -

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F. Capital Projects Fund

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**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
		PRIOR YEARS	CURRENT YEAR	
Various Capital Improvements:				
Bond Proceeds	\$ 6,939,000	\$ 20,807	\$ 1,069,852	\$ 5,848,341
Transfer from Capital Reserve	1,000,317	2,904	603	996,810
State School Building Aid - (ROD) Grants	12,540,209	37,452	1,690,794	10,811,963
Total	\$ 20,479,526	\$ 61,163	\$ 2,761,249	\$ 17,657,114

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2015:

Unexpended Project Balances June 30, 2015	<u>\$ 17,657,114</u>
Total Fund Balance (Budgetary Basis) - June 30, 2015	<u>\$ 17,657,114</u>
Less:	
Unexpended State Aid - ROD Grants	<u>(10,811,963)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 6,845,151</u>

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
Bond Proceeds	\$ 6,800,220
Transfer from Capital Reserve	1,000,317
Interest Earnings	<u>17,762</u>
Total Revenues	<u>7,818,299</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	859,504
Construction Services	1,901,745
Transfer to Debt Service	<u>17,762</u>
Total Expenditures	<u>2,779,011</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	5,039,288
Fund Balance - Beginning	<u>12,617,826</u>
Fund Balance - Ending	<u><u>\$ 17,657,114</u></u>

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 1,421,025	\$ -	\$ 1,421,025	\$ 1,421,025
Bond Proceeds	-	899,663	899,663	899,663
Total Reserve	1,421,025	899,663	2,320,688	2,320,688
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	6,738	240,621	247,359	442,000
Construction Services	-	190,806	190,806	1,878,688
Total Expenditures & Other Financing Uses	6,738	431,427	438,165	2,320,688
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 1,414,287	\$ 468,236	\$ 1,882,523	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-040-14-1001
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 899,663
Bonds Issued	\$ 899,663
Original Authorized Cost	\$ 2,320,688
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,320,688
Percentage Increase Over Original Authorized Cost	
Percentage Completion	18.88%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 50,150	\$ -	\$ 50,150	\$ 50,150
Bond Proceeds	-	31,750	31,750	31,750
Total Reserve	50,150	31,750	81,900	81,900
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	238	-	238	15,000
Construction Services	-	-	-	66,900
Total Expenditures & Other Financing Uses	238	-	238	81,900
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 49,912	\$ 31,750	\$ 81,662	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-040-14-1002
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 31,750
Bonds Issued	\$ 31,750
Original Authorized Cost	\$ 81,900
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 81,900
Percentage Increase Over Original Authorized Cost	
Percentage Completion	0.29%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 208,192	\$ -	\$ 208,192	\$ 208,192
Bond Proceeds	-	131,808	131,808	131,808
Total Reserve	208,192	131,808	340,000	340,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	987	28,165	29,152	63,000
Construction Services	-	128,576	128,576	277,000
Total Expenditures & Other Financing Uses	987	156,741	157,728	340,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 207,205	\$ (24,933)	\$ 182,272	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-040-14-1003
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 131,808
Bonds Issued	\$ 131,808
Original Authorized Cost	\$ 340,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 340,000
Percentage Increase Over Original Authorized Cost	
Percentage Completion	46.39%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 265,563	\$ -	\$ 265,563	\$ 265,563
Bond Proceeds	-	168,131	168,131	168,131
Total Reserve	265,563	168,131	433,694	433,694
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	1,259	60,187	61,446	78,403
Construction Services	-	158,760	158,760	355,291
Total Expenditures & Other Financing Uses	1,259	218,947	220,206	433,694
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 264,304	\$ (50,816)	\$ 213,488	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1004
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 168,131
Bonds Issued	\$ 168,131
Original Authorized Cost	\$ 433,694
Additional Authorized Cost	
Revised Authorized Cost	\$ 433,694
Percentage Increase Over Original Authorized Cost	
Percentage Completion	50.77%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - FOLWELL ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 621,605	\$ -	\$ 621,605	\$ 621,605
Bond Proceeds	-	393,543	393,543	393,543
Total Reserve	621,605	393,543	1,015,148	1,015,148
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	2,947	28,420	31,367	104,767
Construction Services	-	-	-	910,381
Total Expenditures & Other Financing Uses	2,947	28,420	31,367	1,015,148
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 618,658	\$ 365,123	\$ 983,781	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1005
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 393,543
Bonds Issued	\$ 393,543
Original Authorized Cost	\$ 1,015,148
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,015,148
Percentage Increase Over Original Authorized Cost	
Percentage Completion	3.09%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 3,408,058	\$ -	\$ 3,408,058	\$ 3,408,058
Bond Proceeds	138,780	2,018,892	2,157,672	2,157,672
Total Reserve	3,546,838	2,018,892	5,565,730	5,565,730
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	16,159	441,955	458,114	587,315
Construction Services	-	1,094,000	1,094,000	4,978,415
Total Expenditures & Other Financing Uses	16,159	1,535,955	1,552,114	5,565,730
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 3,530,679	\$ 482,937	\$ 4,013,616	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1006
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 2,157,672
Bonds Issued	\$ 2,157,672
Original Authorized Cost	\$ 5,565,730
Additional Authorized Cost	
Revised Authorized Cost	\$ 5,565,730
Percentage Increase Over Original Authorized Cost	
Percentage Completion	27.89%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
F.W. HOLBEIN MIDDLE SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 5,245,132	\$ -	\$ 5,245,132	\$ 5,245,132
Transfer from Capital Reserve	-	1,000,317	1,000,317	1,000,317
Bond Proceeds	-	2,320,423	2,320,423	2,320,423
Total Reserve	5,245,132	3,320,740	8,565,872	8,565,872
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	24,870	-	24,870	771,952
Construction Services	-	5,165	5,165	7,793,920
Total Expenditures & Other Financing Uses	24,870	5,165	30,035	8,565,872
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 5,220,262	\$ 3,315,575	\$ 8,535,837	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1007
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 2,320,423
Bonds Issued	\$ 2,320,423
Original Authorized Cost	\$ 8,565,872
Additional Authorized Cost	
Revised Authorized Cost	\$ 8,565,872
Percentage Increase Over Original Authorized Cost	
Percentage Completion	0.35%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
F.W. HOLBEIN MIDDLE SCHOOL - ROOF/HVAC REPLACEMENT & DOOR REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 857,678	\$ -	\$ 857,678	\$ 857,678
Bond Proceeds	-	543,004	543,004	543,004
Total Reserve	857,678	543,004	1,400,682	1,400,682
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,067	60,156	64,223	135,346
Construction Services	1,704	324,438	326,142	1,265,336
Total Expenditures & Other Financing Uses	5,771	384,594	390,365	1,400,682
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 851,907	\$ 158,410	\$ 1,010,317	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1008
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 543,004
Bonds Issued	\$ 543,004
Original Authorized Cost	\$ 1,400,682
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,400,682
Percentage Increase Over Original Authorized Cost	
Percentage Completion	27.87%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
F.W. HOLBEIN MIDDLE SCHOOL - FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 462,806	\$ -	\$ 462,806	\$ 462,806
Bond Proceeds	-	293,006	293,006	293,006
Total Reserve	462,806	293,006	755,812	755,812
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	2,194	-	2,194	61,046
Construction Services	-	-	-	694,766
Total Expenditures & Other Financing Uses	2,194	-	2,194	755,812
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 460,612	\$ 293,006	\$ 753,618	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1008
Grant Date	2014-2015
Bond Authorization Date	6/18/2014
Bonds Authorized	\$ 293,006
Bonds Issued	\$ 293,006
Original Authorized Cost	\$ 755,812
Additional Authorized Cost	
Revised Authorized Cost	\$ 755,812
Percentage Increase Over Original Authorized Cost	
Percentage Completion	0.29%
Original Target Completion Date	2015-2016
Revised Target Completion Date	N/A

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G. Proprietary Funds

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Enterprise Funds

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**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Current Assets:	
Cash	\$ 78,264
Accounts Receivable:	
State	468
Federal	18,910
Other	1,196
Inventories	<u>12,916</u>
 Total Current Assets	 <u>111,754</u>
Fixed Assets:	
Equipment	331,690
Less: Accumulated Depreciation	<u>(300,682)</u>
 Total Fixed Assets	 <u>31,008</u>
 Total Assets	 <u>142,762</u>
 LIABILITIES	
 Unearned Revenue	 <u>7,655</u>
 Total Liabilities	 <u>7,655</u>
 NET POSITION	
 Net Investment in Capital Assets	 31,008
Unreserved Retained Earnings	<u>104,099</u>
 Total Net Position	 <u>\$ 135,107</u>

**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, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 69,550
Breakfast Program	8,718
Daily Sales Non-Reimbursable Programs	16,769
Satellite Lunch Program - Westampton	26,840
Special Functions	16,016
	<hr/>
Total Operating Revenues	137,893
	<hr/>
Operating Expenses:	
Salaries and Benefits	191,468
Supplies & Materials	16,490
Depreciation	11,153
Management Fee	16,650
Cost of Sales	268,705
Direct Services	3,121
Other	1,868
	<hr/>
Total Operating Expenses	509,455
	<hr/>
Operating Income/(Loss)	(371,562)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	5,492
Federal Sources:	
National School Lunch Program	235,155
National School Breakfast Program	69,928
Special Milk Program	1,127
Food Distribution Program	29,131
Healthy Hungry Kids Act	6,268
Interest Revenue	95
	<hr/>
Total Nonoperating Revenues/(Expenses)	347,196
	<hr/>
Net Income/(Loss)	(24,366)
Net Position - July 1	159,473
	<hr/>
Net Position - June 30	\$ 135,107
	<hr/> <hr/>

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 135,979
Payments to Employees for Services	(191,468)
Payments to Suppliers for Goods & Services	(276,680)
	<hr/>
Net Cash Provided/(Used) by Operating Activities	(332,169)
	<hr/>
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	327,362
	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	327,362
	<hr/>
Cash Flows From Investing Activities:	
Interest & Dividends	95
	<hr/>
Net Cash Provided/(Used) by Investing Activities	95
	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,712)
Cash & Cash Equivalents, July 1	82,976
	<hr/>
Cash & Cash Equivalents, June 30	<u>\$ 78,264</u>

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

Operating Income/(Loss)	\$ (371,562)
Adjustments to Reconcile Operating Income/ (Loss)/to Net Cash Provided/(Used) by	
Operating Activities:	
Depreciation	11,153
Food Distribution Program	29,131
Change in Assets & Liabilities:	
(Increase)/Decrease in Receivables	(244)
(Increase)/Decrease in Inventories	2,171
Increase/(Decrease) in Accounts Payable	(1,148)
Increase/(Decrease) in Deferred Revenues	(1,670)
	<hr/>
Total Adjustments	39,393
	<hr/>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (332,169)</u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE	AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 172,435	\$ 9,097	\$ 30	\$ 181,562
Total Assets	<u>172,435</u>	<u>9,097</u>	<u>30</u>	<u>181,562</u>
LIABILITIES				
Interfund Payable	-	-	30	30
Due to Student Groups	-	9,097	-	9,097
Total Liabilities	<u>-</u>	<u>9,097</u>	<u>30</u>	<u>9,127</u>
NET POSITION				
Reserve for Unemployment Compensation	<u>172,435</u>	<u>-</u>	<u>-</u>	<u>172,435</u>
Total Net Position	<u>\$ 172,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,435</u>

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS:	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	TOTALS
Contributions:		
Employee Contributions	\$ 16,589	\$ 16,589
Total Contributions	<u>16,589</u>	<u>16,589</u>
Investment Earnings:		
Interest	<u>170</u>	<u>170</u>
Net Investment Earnings	<u>170</u>	<u>170</u>
Total Additions	<u>16,759</u>	<u>16,759</u>
DEDUCTIONS:		
Unemployment Claims	<u>20,142</u>	<u>20,142</u>
Total Deductions	<u>20,142</u>	<u>20,142</u>
Change in Net Position	(3,383)	(3,383)
Net Position - July 1	<u>175,818</u>	<u>175,818</u>
Net Position - June 30	<u>\$ 172,435</u>	<u>\$ 172,435</u>

**MOUNT HOLLY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Holbein School	\$ 8,906	\$ 10,858	\$ 10,667	\$ 9,097
Total Activity	<u>\$ 8,906</u>	<u>\$ 10,858</u>	<u>\$ 10,667</u>	<u>\$ 9,097</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 21	\$ 11,501,101	\$ 11,501,092	\$ 30
Total Assets	<u>\$ 21</u>	<u>\$ 11,501,101</u>	<u>\$ 11,501,092</u>	<u>\$ 30</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ -	\$ 5,567,871	\$ 5,567,871	\$ -
Net Payroll	-	5,933,211	5,933,211	-
Interfund Payable	21	19	10	30
Total Liabilities	<u>\$ 21</u>	<u>\$ 11,501,101</u>	<u>\$ 11,501,092</u>	<u>\$ 30</u>

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I. Long-Term Debt

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**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015	
General Obligation Bonds	7/1/15	\$ 6,939,000	07/01/2017	240,000	3.00%	\$ -	\$ 6,939,000	\$ -	\$ 6,939,000	
			07/01/2018	255,000	3.00%					
			07/01/2019	275,000	3.00%					
			07/01/2020	285,000	3.00%					
			07/01/2021	300,000	3.00%					
			07/01/2022	305,000	3.00%					
			07/01/2023	315,000	3.00%					
			07/01/2024	330,000	3.00%					
			07/01/2025	340,000	3.00%					
			07/01/2026	355,000	3.00%					
			07/01/2027	370,000	3.00%					
			07/01/2028	390,000	3.00%					
			07/01/2029	415,000	3.00%					
			07/01/2030	430,000	3.00%					
			07/01/2031	450,000	3.00%					
			07/01/2032	460,000	3.25%					
			07/01/2033	470,000	3.25%					
			07/01/2034	475,000	3.50%					
			07/01/2035	479,000	3.50%					
Total							\$ -	\$ 6,939,000	\$ -	\$ 6,939,000

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST	AMOUNT OUTSTANDING		ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
					JUNE 30, 2014	JUNE 30, 2015			
Duplicating Machines: Copiers	12/15/2013	5 Years	\$ 284,171	\$ 27,709	\$ 253,670	\$ -	\$ 53,852	\$ 199,818	
Total					\$ 253,670	\$ -	\$ 53,852	\$ 199,818	

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	OUTSTANDING BALANCE 2014	DELETIONS	OUTSTANDING BALANCE 2015
Compensated Absences	\$ 610,238	\$ 20,233	\$ 590,005

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STATISTICAL SECTION (Unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30.										
Governmental Activities:										
Net Investment in Capital,										
Assets	\$ 16,362,715	\$ 13,560,207	\$ 12,074,204	\$ 11,176,472	\$ 11,662,297	\$ 11,508,184	\$ 11,954,070	\$ 12,104,860	\$ 11,757,110	\$ 11,851,589
Restricted	-	-	-	-	-	-	-	(57,423)	(49,654)	(49,654)
Special Revenue	-	115,069	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service	17,762	-	-	-	-	-	-	-	-	-
Other Purposes	5,620,575	5,940,843	4,973,883	3,911,564	2,991,983	2,452,655	2,055,637	2,023,676	1,677,672	1,240,944
Unrestricted	(4,997,172)	(1,049,410)	(728,261)	(669,401)	(1,290,155)	(1,414,677)	(1,462,995)	(773,568)	(862,564)	(884,547)
Total Governmental Activities	\$ 17,003,880	\$ 18,566,709	\$ 16,319,826	\$ 14,418,635	\$ 13,364,125	\$ 12,546,162	\$ 12,546,712	\$ 13,297,545	\$ 12,522,564	\$ 12,158,332
Business-Type Activities:										
Net Investment in Capital,										
Assets	\$ 31,008	\$ 42,161	\$ 53,572	\$ 77,512	\$ 42,607	\$ 21,601	\$ 26,933	\$ 32,833	\$ 39,302	\$ 66,154
Unrestricted	104,099	117,312	114,176	100,804	87,662	59,935	19,843	8,051	5,626	9,205
Total Business-Type Activities	\$ 135,107	\$ 159,473	\$ 167,748	\$ 178,316	\$ 130,269	\$ 81,536	\$ 46,776	\$ 40,884	\$ 44,928	\$ 75,359
Government-Wide:										
Net Investment in Capital,										
Assets	\$ 16,393,723	\$ 13,602,368	\$ 12,127,776	\$ 11,253,984	\$ 11,704,904	\$ 11,529,785	\$ 11,981,003	\$ 12,137,693	\$ 11,796,412	\$ 11,917,743
Restricted:										
Special Revenue	-	-	-	-	-	-	-	(57,423)	(49,654)	(49,654)
Capital Projects	-	115,069	-	-	-	-	-	-	-	-
Debt Service	17,762	-	-	-	-	-	-	-	-	-
Other Purposes	5,620,575	5,940,843	4,973,883	3,911,564	2,991,983	2,452,655	2,055,637	2,023,676	1,677,672	1,240,944
Unrestricted	(4,893,073)	(932,098)	(614,085)	(568,597)	(1,202,493)	(1,354,742)	(1,443,152)	(765,517)	(856,938)	(875,342)
Total District Net Position	\$ 17,138,987	\$ 18,726,182	\$ 16,487,574	\$ 14,596,951	\$ 13,494,394	\$ 12,627,698	\$ 12,593,488	\$ 13,338,429	\$ 12,567,492	\$ 12,233,691

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 5,387,538	\$ 5,487,411	\$ 5,213,542	\$ 5,214,002	\$ 5,519,336	\$ 5,793,118	\$ 6,152,373	\$ 6,090,746	\$ 5,801,886	\$ 5,797,016
Special Education	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839	1,705,769	1,745,071	1,687,629
Other Instruction	439,399	447,418	450,180	426,607	415,335	482,674	496,843	475,831	467,955	376,583
Support Services & Undistributed Costs:										
Tuition	844,523	870,391	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821	1,011,353	1,060,135	1,151,609
Student & Instruction Related Services	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242	2,518,182	2,292,435	2,070,472
General Administrative Services	353,946	372,782	386,050	369,892	454,401	414,840	447,724	641,571	657,096	629,228
School Administrative Services	693,063	687,619	590,906	555,994	710,874	707,299	669,699	735,125	756,777	746,900
Central Services	448,173	418,467	-	320,780	324,533	264,589	569,717	-	-	-
Plant Operations & Maintenance	1,833,142	1,574,198	1,839,744	1,703,287	1,303,527	1,470,316	1,884,142	1,463,702	1,551,581	1,601,598
Pupil Transportation	339,534	325,450	413,220	379,328	336,873	504,243	269,809	429,060	514,272	440,023
Other Objects	-	-	-	-	10,789	-	-	-	-	-
Unallocated Benefits	6,180,343	4,262,067	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037	5,041,790	5,284,581	4,440,056
Changes in Long-Term Debt	118,547	(118,023)	269,082	-	-	-	-	-	-	-
Reduction of Capital Leases	-	-	(51,116)	-	-	-	-	-	-	-
Unallocated Depreciation	255,799	132,723	135,733	179,503	161,222	137,586	181,556	155,428	5,570	17,554
Total Governmental Activities Expense	21,178,898	18,485,896	18,688,222	18,279,186	19,186,895	19,693,186	20,146,802	20,268,557	20,137,359	18,958,668
Business-Type Activities:										
Food Service	509,455	523,025	500,447	467,251	420,095	393,400	400,050	433,421	482,522	444,561
Total Business-Type Activities Expense	509,455	523,025	500,447	467,251	420,095	393,400	400,050	433,421	482,522	444,561
Total District Expenses	\$ 21,688,353	\$ 19,008,921	\$ 19,188,669	\$ 18,746,437	\$ 19,606,990	\$ 20,086,586	\$ 20,546,852	\$ 20,701,978	\$ 20,619,881	\$ 19,403,229
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 4,345,764	\$ 2,539,068	\$ 2,812,727	\$ 1,666,996	\$ 2,657,941	\$ 3,087,639	\$ 2,538,956	\$ 4,550,216	\$ 4,726,570	\$ 3,775,086
Total Governmental Activities Program Revenues	4,345,764	2,539,068	2,812,727	1,666,996	2,657,941	3,087,639	2,538,956	4,550,216	4,726,570	3,775,086

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

	FISCAL YEAR ENDING JUNE 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted for:										
Capital Reserve	\$ 3,064,793	\$ 3,361,643	\$ 2,686,673	\$ 2,277,373	\$ 1,468,436	\$ 1,175,939	\$ 921,016	\$ 715,971	\$ 548,883	\$ 525,088
Emergency Reserve	250,000	250,000	250,000	250,000	250,000	200,000	100,000	100,000	-	-
Maintenance Reserve	865,782	978,607	1,013,607	443,607	440,924	250,000	150,000	150,000	-	-
Excess Surplus	720,000	720,000	1,576,195	519,616	420,968	411,655	407,471	344,505	713,200	365,484
Excess Surplus - Designated for Subsequent Year's Expenditures	720,000	630,593	503,987	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	(43,660)	(439,172)	(1,056,580)	-	(236,786)	(573,621)	(482,011)	(36,019)	(52,705)	4,888
Total General Fund	\$ 5,576,915	\$ 5,501,671	\$ 4,973,883	\$ 4,018,833	\$ 2,755,197	\$ 1,879,034	\$ 1,573,626	\$ 2,044,353	\$ 1,624,967	\$ 1,205,831
All Other Governmental Funds										
Assigned, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (57,423)	\$ (49,654)	\$ (49,654)
Debt Service Fund	17,762	-	-	-	-	-	-	-	-	-
Capital Projects Fund	6,845,151	115,069	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 6,862,913	\$ 115,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (57,423)	\$ (49,654)	\$ (49,654)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local Tax Levy	\$ 7,400,372	\$ 7,350,372	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889	\$ 6,889,889	\$ 6,814,889	\$ 6,814,889	\$ 6,558,171	\$ 6,024,745
Tuition Charges	162,954	314,831	272,924	86,665	283,447	222,341	-	62,987	49,097	48,893
Interest Earnings	23,608	5,800	3,585	8,938	36,787	4,924	83,683	17,089	23,794	80,084
Miscellaneous	45,105	269,844	73,944	54,167	76,145	135,235	115,065	547,890	556,109	331,757
State Sources	13,580,626	11,648,440	11,862,388	10,719,825	11,272,489	10,014,910	11,358,161	12,530,010	11,810,028	11,166,607
Federal Sources	1,065,102	1,143,492	1,076,200	1,306,874	1,319,101	2,880,955	1,035,713	1,094,709	1,552,392	1,212,691
Total Revenue	22,277,767	20,732,779	20,589,413	19,333,696	20,004,858	20,148,254	19,407,511	21,067,574	20,549,591	18,864,777
Expenditures:										
Instruction:										
Regular Instruction	5,387,538	5,487,411	5,213,542	5,214,002	5,519,336	5,793,118	6,152,373	6,106,360	5,763,482	5,509,278
Special Education Instruction	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839	1,705,769	1,745,071	1,687,629
Other Special Instruction	439,399	447,418	450,180	426,607	415,335	482,674	496,843	475,831	467,955	376,583
Support Services & Undistributed Costs:										
Tuition	844,523	870,391	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821	1,011,353	1,060,135	1,151,609
Student & Instruction Related Services	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242	2,518,182	2,292,435	2,070,472
School Administrative Services	693,063	687,619	590,906	665,447	710,874	707,299	669,699	641,571	657,096	629,228
General Administrative Services	788,842	769,153	790,659	723,272	791,274	919,083	717,533	735,125	745,637	711,794
Plant Operations & Maintenance	1,762,335	1,761,756	1,743,398	1,412,694	1,303,327	1,470,316	1,884,142	1,932,930	1,419,890	1,499,193
Pupil Transportation	339,534	325,450	317,491	302,699	407,000	404,517	382,978	429,060	514,272	440,023
Unallocated Benefits	4,478,534	4,262,067	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037	5,041,790	5,284,581	4,440,056
Capital Outlay	3,236,240	1,737,435	1,087,306	195,546	326,124	147,318	42,308	33,950	131,901	66,539
Total Expenditures	22,254,899	20,374,093	19,634,363	18,070,060	19,423,475	19,842,846	19,820,815	20,631,921	20,082,455	18,582,404
Excess (Deficiency) of Revenues Over/(Under) Expenditures	22,868	358,686	955,050	1,263,636	581,383	305,408	(413,304)	435,653	467,136	282,373
Other Financing Sources/(Uses):										
Capital Leases	-	284,171	-	-	294,780	-	-	-	-	-
Bond Proceeds	6,800,220	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	-	-	(24,036)	(48,000)	(12,700)
Total Other Financing Sources/(Uses)	6,800,220	284,171	-	-	294,780	-	-	(24,036)	(48,000)	(12,700)
Net Change in Fund Balances	\$ 6,823,088	\$ 642,857	\$ 955,050	\$ 1,263,636	\$ 876,163	\$ 305,408	\$ (413,304)	\$ 411,617	\$ 419,136	\$ 269,673
Debt Service as a Percentage of Noncapital Expenditures										

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
2015	\$ 3,846	\$ 5,846	\$ 162,954	-	\$ -	-	\$ -	-	32,791	\$ 205,437
2014	3,800	5,800	314,831	-	-	-	-	-	114,020	438,451
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

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) TOTAL DIRECT SCHOOL RATE	COUNTY EQUALIZED VALUE
2015	\$ 11,853,500	\$ 508,003,300		\$ 7,100	\$ 93,835,500	\$ 8,136,400	\$ 19,445,000	641,280,800	\$ 5,439,973	\$ 646,720,773	\$ 296,032,400	1.167	\$ 595,346,901
2014	11,313,500	516,060,100	N/A	7,100	94,111,100	8,406,600	19,255,200	649,153,600	5,389,334	654,542,934	286,322,000	1.111	615,244,409
2013	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
2012	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
2011	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
2010	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
2009	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
2008	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
2007	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
2006	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

Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation

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

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 DISTRICT	FIRE DISTRICT	BURLINGTON COUNTY	
2015	1.130	-	1.130	0.718	0.349	0.091	0.306	2.594
2014	1.111	-	1.111	0.687	0.354	0.091	0.357	2.600
2013	1.092	-	1.092	0.638	0.372	0.090	0.366	2.558
2012	1.068	-	1.068	0.597	0.369	0.090	0.387	2.511
2011	2.171	-	2.171	1.154	0.747	0.179	0.860	5.111
2010	2.127	-	2.127	1.155	0.774	0.173	0.830	5.059
2009	2.135	-	2.135	1.076	0.797	0.172	0.867	5.047
2008	2.077	-	2.077	1.002	0.772	0.172	0.849	4.872
2014	1.939	-	1.939	0.929	0.688	0.171	0.752	4.479
2006	1.672	0.081	1.753	0.848	0.635	0.169	0.664	4.069

Source: Municipal Tax Collector

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

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties, LLC	\$12,967,000	1	1.99%
Mount Holly Associates	10,576,100	2	1.63%
Verizon Property Tax Department	7,606,873	3	1.17%
Virtua Memorial Hospital	6,965,200	4	1.07%
Mount Holly Equities	6,723,100	5	1.03%
Richard A. Alaimo	4,179,300	6	0.64%
Ancor Flexibles, Inc.	3,605,200	7	0.55%
Memorial Ambul-Surgi Center	2,423,900	8	0.37%
Public Storage Inc.	2,349,700	9	0.36%
Mill Race, Inc	1,796,700	10	0.28%
Total	<u>\$59,193,073</u>		<u>9.10%</u>

TAXPAYER	2006		
	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	
2015	\$7,400,372	7,400,372	100.00%	-
2014	7,350,372	7,350,372	100.00%	-
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%	-

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 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2015	6,939,000	199,818	7,138,818	N/A	N/A
2014	-	253,670 #	253,670	N/A	N/A
2013	-	83,095	83,095	N/A	N/A
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

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 ^o
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	6,939,000	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

- 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, 2015

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	17,208,605.00	100.000%	\$17,208,605
Rancocas Valley Regional High School	2,373,801	13.740%	326,160
Burlington County General Obligation Debt	303,356,410	1.299%	<u>3,940,600</u>
Subtotal, Overlapping Debt Mount Holly School District			<u>21,475,365</u> -
Total Direct & Overlapping Debt			<u><u>\$21,475,365</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
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 19,581,640	\$ 19,268,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864	\$ 20,335,028	\$ 20,216,000	\$ 18,202,555	\$ 16,391,087	\$ 14,158,301
Total Net Debt Applicable to Limit	6,939,000	6,939,000	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 12,642,640	\$ 12,329,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864	\$ 20,335,028	\$ 20,216,000	\$ 18,202,555	\$ 16,391,087	\$ 14,158,301

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

35.44% 36.01%

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis
2014	\$ 650,202,657
2013	654,512,934
2012	<u>653,448,441</u>
	<u>\$ 1,958,164,032</u>
	<u>\$ 652,721,344</u>
Average Equalized Valuation of Taxable Property	
Debt Limit (3.5% of Average Equalization Value)	\$ 19,581,640
Net Bonded School Debt	<u>6,939,000</u>
Legal Debt Margin	<u>\$ 12,642,640</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxator

**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
2015	9,490	N/A	N/A	8.5%
2014	9,345	N/A	N/A	10.8%
2013	9,372	N/A	N/A	14.3%
2012	9,555	461,678,490	48,318	13.8%
2011	9,544	452,299,704	47,391	14.1%
2010	10,230	475,654,080	46,496	13.3%
2009	10,271	489,649,383	47,673	7.9%
2008	10,345	469,869,900	45,420	5.8%
2007	10,537	456,937,005	43,365	6.4%
2006	10,583	430,808,640	40,686	5.9%

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	55	69	66	72	72	76	92	91	95	92
Special Education	20	28	30	27	23	22	19	21	23	23
Other Special Education	11	16	15	14	14	14	11	26	30	30
Other Instruction	11	11	11	9	9	7	8	15	11	11
Support Services:										
Student & Instruction Related Services	9	9	8	8	8	8	5	7	5	5
School Administrative Services	14	13	13	10	11	11	11	11	11	11
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	13	16	15	14	13	14	15	17	17	17
Total	139	168	164	160	156	158	167	194	198	195

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES ^a	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				
2015	1,004	\$ 19,018,659	\$ 18,943	6.22%	97	1-10.7	1-8.8	997	921	-4.78%	92.38%
2014	1,020	18,636,658	18,271	2.45%	93	1-10.8	1-10.0	1,006	949	-3.92%	94.33%
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%	93.60%
2006	1,083	18,515,865	17,097	#DIV/0!	114	1-11	1-11	1,113	988	-1.59%	88.77%

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	354	388	390	407	390	379	296	292	297	312
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	351	315	328	267	286	308	290	285	291	287
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	272	317	322	318	317	310	433	425	446	484
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, 2015:
 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
* SCHOOL FACILITIES										
John Brainerd School	\$ 48,390	\$ 30,115	\$ 28,231	\$ 8,281	\$ 6,475	\$ 20,210	\$ 26,077	\$ 14,784	\$ 28,343	\$ 19,538
Gertrude Folwell School	75,722	56,359	46,045	20,707	17,388	27,219	19,901	39,030	32,542	49,495
Anna Heller School	-	-	-	-	-	-	-	28,504	11,547	24,748
F.W. Holbein Schools	62,437	63,460	47,284	89,308	29,596	55,760	59,507	22,139	32,541	36,469
Total School Facilities	\$ 186,549	\$ 149,934	\$ 121,560	\$ 118,296	\$ 53,459	\$ 103,189	\$ 105,485	\$ 104,457	\$ 104,973	\$ 130,250
										\$ 102,580

* 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, 2015**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy (1):		
Building & Contents (All Locations):		
Limits of Liability per Occurrence	\$150,000,000	\$ 500
Comprehensive General Liability	15,000,000	-
Comprehensive Automobile Liability	15,000,000	-
Boiler & Machinery Liability	125,000,000	1,000
Crime Coverage - Employee Dishonesty	500,000	500
 Educator's Legal Liability (1)	 15,000,000	 -
 Pollution Legal Liability (1)	 3,000,000	 -
 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.

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SINGLE AUDIT SECTION

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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
Mount Holly, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Mount Holly School District's basic financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mount Holly School District'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mount Holly School District'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 District'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 School District'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.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 4, 2015



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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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 AND/OR 15-08.**

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

Report on Compliance for Each Major Federal and State Program

We have audited Mount Holly School District’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State 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, 2015. Mount Holly School District’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 School District’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; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; 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 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Mount Holly School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Mount Holly School District 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 School District'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 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, 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 School District'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(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
December 4, 2015

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**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE AT JUNE 30, 2015 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:									
Food Distribution Program	10.565	N/A	\$ 29,131	7/1/14-6/30/15	\$ -	29,131	(29,131)	\$ -	-
National School Lunch Program	10.555	N/A	235,155	7/1/14-6/30/15	-	221,607	(235,155)	(13,548)	-
National School Lunch Program	10.555	N/A	240,732	7/1/13-6/30/14	(20,759)	20,759	-	-	-
National Breakfast Program	10.553	N/A	69,928	7/1/14-6/30/15	-	64,990	(69,928)	(4,938)	-
National Breakfast Program	10.553	N/A	76,870	7/1/13-6/30/14	(6,580)	6,580	-	-	-
Special Milk Program	10.556	N/A	1,127	7/1/14-6/30/15	-	1,067	(1,127)	(60)	-
Special Milk Program	10.556	N/A	1,134	7/1/13-6/30/14	(99)	99	-	-	-
Healthy Hungry Kids Act	10.551	N/A	6,268	7/1/14-6/30/15	-	5,904	(6,268)	(364)	-
Healthy Hungry Kids Act	10.551	N/A	6,411	7/1/13-6/30/14	(548)	548	-	-	-
Total U.S. Department of Agriculture					(27,986)	350,685	(341,609)	(18,910)	-

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

Special Revenue Fund:									
Title I - Current Year	84.010	NCLB471015	470,126	7/1/14-6/30/15	-	379,996	(441,159)	(61,163)	-
Title I - Prior Year	84.010	NCLB471014	496,112	7/1/13-6/30/14	(98,199)	98,199	-	-	-
Title II - A - Current Year	84.367A	NCLB471015	117,036	7/1/14-6/30/15	-	84,974	(107,637)	(22,663)	-
Title II - A - Prior Year	84.367A	NCLB471014	108,549	7/1/13-6/30/14	(22,520)	22,520	-	-	-
Title III - Current Year	84.365A	NCLB471015	20,082	7/1/14-6/30/15	-	13,494	(18,056)	(4,562)	-
Title III - Prior Year	84.365A	NCLB471014	19,311	7/1/13-6/30/14	(1,278)	1,278	-	-	-
I.D.E.A. Part B. Basic Current Year	84.027	FT-3430-15	385,695	7/1/14-6/30/15	-	156,712	(381,367)	(224,655)	-
I.D.E.A. Part B. Basic Prior Year	84.027	FT-3430-14	380,237	7/1/13-6/30/14	(120,270)	120,270	-	-	-
I.D.E.A. B - Preschool - Current Year	84.173	PS-3430-15	10,487	7/1/14-6/30/15	-	10,487	(10,487)	-	-
Race To The Top	84.416	N/A	33,608	9/1/12-6/30/13	(9,390)	9,390	-	-	-
Total Special Revenue Fund					(251,657)	897,320	(958,706)	(313,043)	-
General Fund:									
ARRA - Medical Assistance Program	93.778	N/A	45,368	10/1/08-12/31/10	-	45,368	(45,368)	-	-
Medical Assistance Program	93.778	N/A	46,721	7/1/14-6/30/15	-	46,721	(46,721)	-	-
Total General Fund					-	92,089	(92,089)	-	-
Total U.S. Department of Education					(251,657)	989,409	(1,050,795)	(313,043)	-
Total Federal Financial Assistance					\$ (279,643)	\$ 1,340,094	\$ (1,392,404)	\$ (331,953)	\$ -

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/ PROGRAM TITLE	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2015			MEMO CUMULATIVE TOTAL EXPENDITURES
									(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE INTERFUND PAYABLE	DUE TO GRANTOR	
State Department of Education:												
General Fund:												
Equalization Aid	495-034-5120-078	\$7,996,220	7/1/14-6/30/15	\$ -	\$ -	\$ 7,996,220	\$ (7,996,220)	\$ -	\$ -	\$ -	\$ 722,745	\$ 7,996,220
Adjustment Aid	495-034-5120-085	1,059,003	7/1/14-6/30/15	-	-	1,059,003	(1,059,003)	-	-	-	95,719	1,059,003
Categorical Transportation Aid	495-034-5120-014	128,424	7/1/14-6/30/15	-	-	128,424	(128,424)	-	-	-	11,608	128,424
Categorical Security Aid	495-034-5120-084	265,020	7/1/14-6/30/15	-	-	265,020	(265,020)	-	-	-	23,954	265,020
Categorical Special Education Aid	495-034-5120-089	537,492	7/1/14-6/30/15	-	-	537,492	(537,492)	-	-	-	48,582	537,492
PARCC Readiness Aid	495-034-5120-098	9,550	7/1/14-6/30/15	-	-	9,550	(9,550)	-	-	-	863	9,550
Per Pupil Growth Aid	495-034-5120-097	9,550	7/1/14-6/30/15	-	-	9,550	(9,550)	-	-	-	863	9,550
Reimbursement of Nonpublic Transportation	15-103190	3,480	7/1/14-6/30/15	-	-	-	(3,480)	-	-	-	-	3,480
Reimbursement of Nonpublic Transportation	14-103190	3,042	7/1/13-6/30/14	(3,042)	-	3,042	-	-	-	-	-	-
Extraordinary Aid	100-034-5120-473	34,245	7/1/14-6/30/15	-	-	34,245	(34,245)	-	-	-	-	34,245
Homeless Tutoring Aid	100-034-5120-473	95,385	7/1/13-6/30/14	(95,385)	-	95,385	-	-	-	-	-	-
Homeless Tutoring Aid	N/A	186,718	7/1/14-6/30/15	-	-	-	(186,718)	-	-	-	-	186,718
Reimbursed TPAF Contributions (Nonbudgeted)	N/A	121,463	7/1/13-6/30/14	(121,463)	-	121,463	-	-	-	-	-	-
On-Behalf Post Retirement Medical Contributions	100-034-5095-006	396,647	7/1/14-6/30/15	-	-	396,647	(396,647)	-	-	-	-	396,647
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-001	629,677	7/1/14-6/30/15	-	-	629,677	(629,677)	-	-	-	-	629,677
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	557,608	7/1/14-6/30/15	-	-	530,745	(557,608)	-	-	(26,863)	-	557,608
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5095-002	542,703	7/1/13-6/30/14	(26,211)	-	26,211	-	-	-	-	-	-
Total General Fund				(246,101)	-	11,808,429	(11,813,634)	-	(251,306)	-	904,334	11,813,634
Special Revenue Fund:												
New Jersey Nonpublic Aid: Textbook Aid	100-034-5120-064	10,531	7/1/13-6/30/14	95	-	-	-	(95)	-	-	-	-
Textbook Aid	100-034-5120-064	10,605	7/1/14-6/30/15	-	-	10,605	(10,604)	-	-	1	-	10,604
Nursing Aid	100-034-5120-070	16,883	7/1/14-6/30/15	-	-	16,883	(16,883)	-	-	-	-	16,883
Technology Aid	100-034-5120-373	3,840	7/1/13-6/30/14	32	-	-	-	(32)	-	-	-	-
Technology Aid	100-034-5120-373	5,696	7/1/14-6/30/15	-	-	5,696	(5,696)	-	-	-	-	5,696
Auxiliary Services: Compensatory Education	100-034-5120-067	25,978	7/1/13-6/30/14	-	-	25,978	(9,585)	-	16,393	-	-	9,585
Compensatory Education	100-034-5120-067	31,671	7/1/14-6/30/15	17,889	-	-	-	(17,889)	-	-	-	-
Transportation	100-034-5120-067	1,140	7/1/13-6/30/14	1,107	-	-	-	(1,107)	-	-	-	-
Transportation	100-034-5120-067	473	7/1/14-6/30/15	-	-	473	-	-	473	-	-	-
Handicapped Services: Examination & Classification	100-034-5120-066	14,176	7/1/13-6/30/14	1,753	-	-	-	(1,753)	-	-	-	-
Examination & Classification	100-034-5120-066	13,151	7/1/14-6/30/15	-	-	13,151	(6,851)	-	6,300	-	-	6,851
English as a Second Language	100-034-5120-067	873	7/1/13-6/30/14	873	-	-	-	(873)	-	-	-	-
Corrective Speech	100-034-5120-067	16,405	7/1/13-6/30/14	5,627	-	-	-	(5,627)	-	-	-	-
Corrective Speech	100-034-5120-067	15,020	7/1/14-6/30/15	-	-	15,020	(9,277)	-	5,743	-	-	9,277
Supplemental Instruction	100-034-5120-066	11,795	7/1/13-6/30/14	2,495	-	-	-	(2,495)	-	-	-	-
Supplemental Instruction	100-034-5120-066	13,340	7/1/14-6/30/15	-	-	13,340	(7,062)	-	6,278	-	-	7,062
Early Childhood Program Aid	100-034-5120-025	583,288	7/1/06-6/30/07	-	-	264,822	-	-	264,822	-	-	-
Total Special Revenue Fund				29,871	264,822	101,146	(65,958)	(29,871)	-	35,188	-	65,958
Capital Projects Fund:												
ROD Grants	Various	12,540,209	7/1/13-6/30/16	(37,452)	-	616,052	(1,690,794)	-	(1,112,194)	-	-	1,690,794
Total Capital Projects Fund				(37,452)	-	616,052	(1,690,794)	-	(1,112,194)	-	-	1,690,794
Enterprise Fund:												
State School Lunch Program	100-010-3360-067	5,796	7/1/13-6/30/14	(784)	-	784	-	-	-	-	-	-
State School Lunch Program	100-010-3360-067	5,492	7/1/14-6/30/15	-	-	5,024	(5,492)	-	(468)	-	-	5,492
Total Enterprise Fund				(784)	-	5,808	(5,492)	-	(468)	-	-	5,492
Total State Financial Assistance				\$ (254,466)	\$ 264,822	\$ 12,531,435	\$ (13,575,878)	\$ (29,871)	\$ (1,363,968)	\$ 264,822	\$ 904,334	\$ 13,575,878
Less: Grants Not Subject to New Jersey OMB Circular 04-04:												
On-Behalf TPAF Contributions	100-034-5095-001/6	1,026,324	7/1/14-6/30/15	-	-	-	1,026,324	-	-	-	-	-
Total State Financial Assistance subject to New Jersey OMB Circular 04-04							\$ (1,026,324)					
							\$ (12,549,554)					

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015**

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Mount Holly School District. The School District 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 \$10,240 for the general fund and \$14,307 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, 2015**

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 11,823,874	\$ 92,089	\$11,915,963
Special Revenue Fund	65,958	973,013	1,038,971
Capital Projects Fund	1,690,794	-	1,690,794
Food Service Fund	5,492	341,609	347,101
Total Financial Assistance	<u>\$ 13,586,118</u>	<u>\$ 1,406,711</u>	<u>\$14,992,829</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, 2015 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, 2015.

Note 6. Federal and State Loans Outstanding

The Mount Holly School District had no loan balances outstanding at June 30, 2015.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to basic financial Statements noted? No

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133? No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A Part B

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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

State Awards

Internal Control over major programs:

- | | |
|---|-------------------|
| 1) Material weakness(es) identified? | No |
| 2) Significant deficiencies identified that are not considered
To be material weaknesses? | None Reported |
| 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? | No |

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-085	Adjustment Aid
495-034-5120-089	Categorical Special Education Aid
Various	ROD Grants

Dollar threshold used to distinguish between type A and type B programs: \$376,487

Auditee qualified as low-risk auditee? Yes

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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/and or 15-08.

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, 2015**

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