

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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
331 Levis Drive
Mount Holly, NJ 08060
Phone: (609) 267-7033
Fax: (609) 265-8028

September 16, 2016

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, 2016. 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:

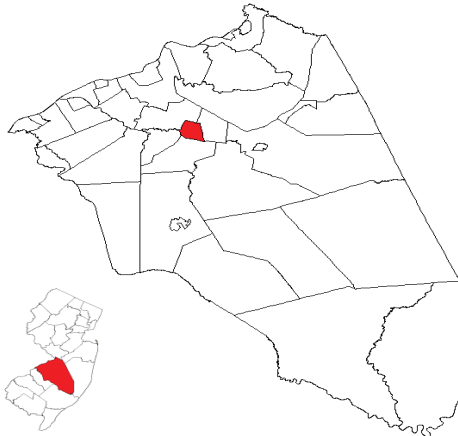
1. The Introductory Section contains a table of contents, this Letter of Transmittal, List of Principle Officials, and an Organizational Chart of the School District.
2. The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic 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 9,493 (census 2010). The community has a long and rich history with several sites on the National Register of Historic Places. The 987 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 2015-16 fiscal year with an enrollment of 987 students, which is 7 more students than the previous year's average daily enrollment. This year's increase in the average enrollment within the district is likely to continue as the West Rancocas Redevelopment Project is progressing. Some townhomes are currently occupied and many are under construction. The number of students enrolled is anticipated to increase as new families purchase these homes. 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> |
|--------------------|---------------------------------------|-----------------------|
| 2015-16 | 984 | 0.7% |
| 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% |

Outlook for the Future: Fiscal Year 2016-17 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. While salaries and expenses continue to rise, the district's overall anticipated revenues are limited to a 2% increase in the local levy and a State Aid increase of only 0.26% for 2016-17 General Budget.

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

VISION STATEMENT

“Every Student will have an excellent educational experience.”

MISSION STATEMENT

“Cultivate the capacity for lifelong learning, the creativity for innovation and the curiosity for exploration”

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.

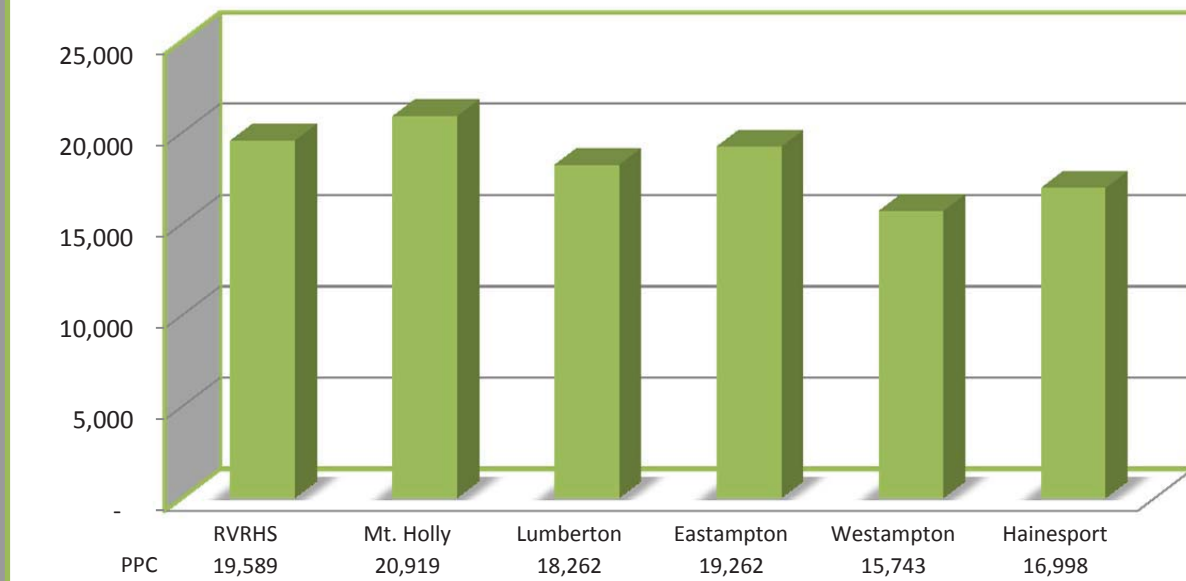
The District aspires to surpass the needs of its students and staff providing the latest educational technology with 100% district wide WiFi, Google Apps for Education, interactive whiteboards, professional STEM software with a 3-D printer, and almost 1:1 device learning environment. The Office of School Innovation inducted Mount Holly Township Schools as a member of the innovate NJ Community for recognizing the district’s Gifted for All and STEM programs, service learning projects, and our Project Lead the Way program. The district was accepted into the Sustainable Jersey for Schools cohort, a certification program for New Jersey public schools to go green, and conserve resources. For Mount Holly, the pursuit of excellence is our passion.

The District has highly competent teaching, supervisory and administrative staff with approximately 60% with Bachelor's degrees, and 40% 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 \$26,125 was reimbursed to staff to help defray the cost of college tuition. An additional \$34,741 was expended on workshops and conferences.

In July 2016, the New Jersey Department of Education released its 2016 Taxpayer’s Guide to Education Spending for all school districts in the State for the 2014-15 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 \$20,919 per pupil while the state average is \$19,651. According to the report, similar district average per pupil cost is \$19,355.

For the 2015-2016 school year our district budgeted \$16,673 per pupil. Over the same time frame, the state average was \$15,296. 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". 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 & Allison, 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



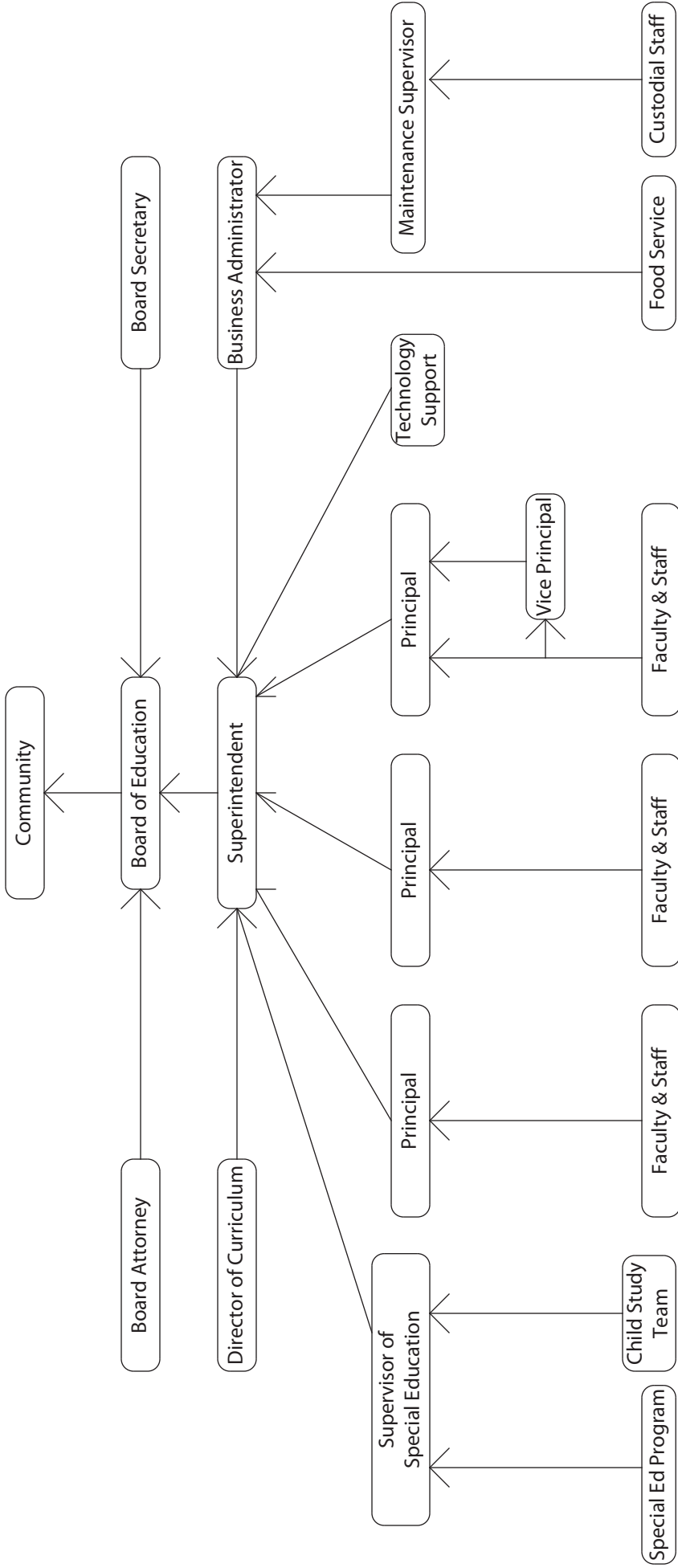
Evon DiGangi, CPA
School Business Administrator/Board Secretary

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MOUNT HOLLY TOWNSHIP PUBLIC SCHOOLS

Organizational Chart

(Unit Control)



MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Samuel Reale, President

2017

Cynthia Regn, Vice President

2019

Janet DiFolco

2019

Becky Browning

2018

William Monk

2017

OTHER OFFICIALS

James E. DiDonato, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Frank Cavallo, Esq., Solicitor

MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Investors Bank
Iselin, NJ

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FINANCIAL SECTION

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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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 September 16, 2016 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.

A handwritten signature in cursive script, appearing to read "Kevin Frenia".

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

Medford, New Jersey
September 16, 2016

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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, 2016
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, 2016. 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 (2015-16) and the prior year (2014-15) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ⇒ Total assets increased by \$10,064,349 as cash and cash equivalents decreased by \$1,451,763, receivables increased by \$1,968,313, net capital assets increased by \$9,547,799 and Deferred Outflows Related to Pensions increased by \$540,687.
- ⇒ General Fund revenues accounted for \$20,047,396 in revenue, or 72 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$1,458,268 or 5 percent of all revenues. Capital projects in the form of State grants and bond proceeds, accounted for \$6,107,923 or 22 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$323,358 1 percent of all revenues. Total revenues were \$27,936,945.
- ⇒ The School District had \$30,295,377 in total expenditures; \$10,798,978 of which represents salaries and benefits for the district or approximately 36 percent of expenditures for the fiscal year ending June 30, 2016.
- ⇒ The Food Service Enterprise Fund had an increase in net position of \$29,708 in 2016 compared to a decrease of \$24,366 in 2015.
- ⇒ The total Fund Balance per Governmental funds was \$10,088,628. The School District expended \$514,000 out of capital reserve and added \$2,106,380 to capital reserve, \$100,000 was added to maintenance reserve and \$0 was added to emergency reserve as of June 30, 2016.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (Continued)**

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 2016?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting, takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (Continued)**

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 2015 and 2016.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (Continued)**

TABLE I - NET POSITION

| | Governmental Activities | | Business-Type Activities | |
|----------------------------------------------------------------|-------------------------|----------------------|--------------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 |
| ASSETS | | | | |
| Current Assets | \$ 13,313,498 | \$ 12,824,854 | \$ 139,660 | \$ 111,754 |
| Capital Assets, net | 26,209,242 | 16,656,382 | 25,947 | 31,008 |
| Total Assets | 39,522,740 | 29,481,236 | 165,607 | 142,762 |
| Deferred Outflows of Resources | 862,239 | 321,552 | - | - |
| Total Assets and Deferred Outflows of Resources | \$ 40,384,979 | \$ 29,802,788 | \$ 165,607 | \$ 142,762 |
| LIABILITIES | | | | |
| Current Liabilities | \$ 3,224,870 | \$ 580,140 | \$ 792 | |
| Noncurrent Liabilities | 12,736,863 | 11,769,717 | - | - |
| Total Liabilities | 15,961,733 | 12,349,857 | 792 | - |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows Related to Pensions | 269,163 | 469,051 | - | - |
| Total Liabilities and Deferred Inflows of Resources | \$ 16,230,896 | \$ 12,818,908 | \$ 792 | \$ - |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 22,113,558 | 16,362,715 | 25,947 | 31,008 |
| Restricted | 7,457,734 | 5,638,337 | - | - |
| Unrestricted | (5,417,209) | (4,997,172) | 138,868 | 104,099 |
| Total Net Position | 24,154,083 | 17,003,880 | 164,815 | 135,107 |

The District's combined net position were \$24,318,898 on June 30, 2016. This was an increase of 42% percent from the prior year.

Table 2 shows changes in net position for fiscal year 2015 and 2016.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (Continued)**

| REVENUES | CHANGES IN NET POSITION | | Business-Type Activities | |
|-----------------------------------------|-------------------------|-------------------|--------------------------|-----------------|
| | Governmental Activities | | 2016 | 2015 |
| | 2016 | 2015 | 2016 | 2015 |
| Program Revenues: | | | | |
| Charges for Services | \$ - | \$ - | \$ 125,126 | \$ 137,893 |
| Operating Grants & Contributions | 5,560,432 | 4,345,764 | 398,279 | 347,101 |
| General Revenues: | | | | |
| Property Taxes | 7,835,278 | 7,400,372 | - | - |
| Grants & Entitlements | 16,480,283 | 12,014,357 | - | - |
| Other | 303,722 | 231,667 | 183 | 95 |
| Total Revenues | <u>30,179,715</u> | <u>23,992,160</u> | <u>523,588</u> | <u>485,089</u> |
| Expenses | | | | |
| Instruction | 8,228,513 | 8,147,880 | - | - |
| Tuition | 890,496 | 844,523 | - | - |
| Related Services | 1,989,139 | 1,963,948 | - | - |
| General & School Administration | 1,061,789 | 1,047,009 | - | - |
| Central Services | 466,135 | 448,173 | - | - |
| Operations & Maintenance | 1,922,024 | 1,833,142 | - | - |
| Transportation | 376,631 | 339,534 | - | - |
| Employee Benefits | 7,348,324 | 6,180,343 | - | - |
| Food Service | - | - | 493,880 | 509,455 |
| Compensated Absences | - | 118,547 | - | - |
| Other | 746,461 | 255,799 | - | - |
| Total Expenses | <u>23,029,512</u> | <u>21,178,898</u> | <u>493,880</u> | <u>509,455</u> |
| Increase in Net Assets before Transfers | <u>7,150,203</u> | <u>2,813,262</u> | <u>29,708</u> | <u>(24,366)</u> |
| Changes in Net Position | <u>7,150,203</u> | <u>2,813,262</u> | <u>29,708</u> | <u>(24,366)</u> |
| Net Position- July 1 | 17,003,880 | 14,190,618 | 135,107 | 159,473 |
| Net Position- June 30 | 24,154,083 | 17,003,880 | 164,815 | 135,107 |

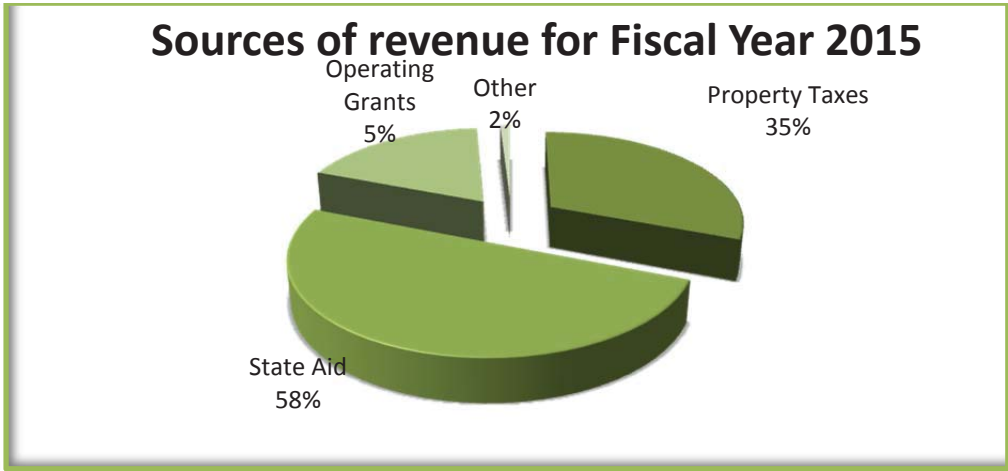
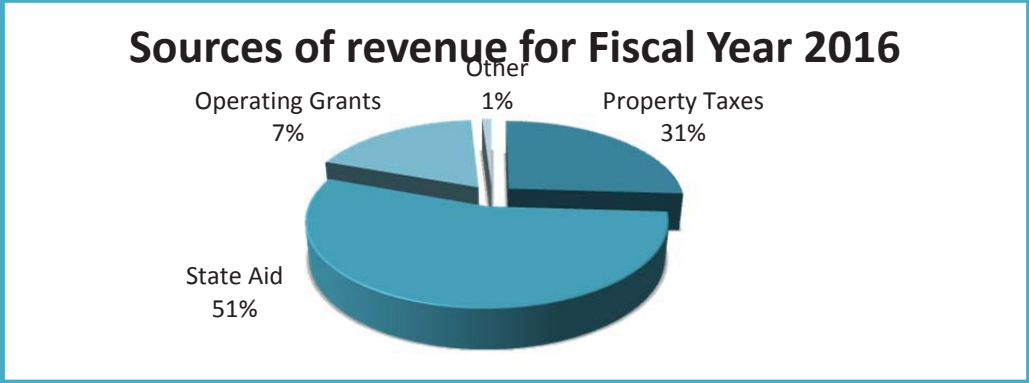
Governmental Activities

Property taxes made up 26 percent of revenues for fiscal year 2016 and 31 percent for fiscal year 2015. The District's total revenue for governmental activities was \$30,179,715 for the year ended June 30, 2016. Federal and state aid, accounted for another 55 percent of revenue.

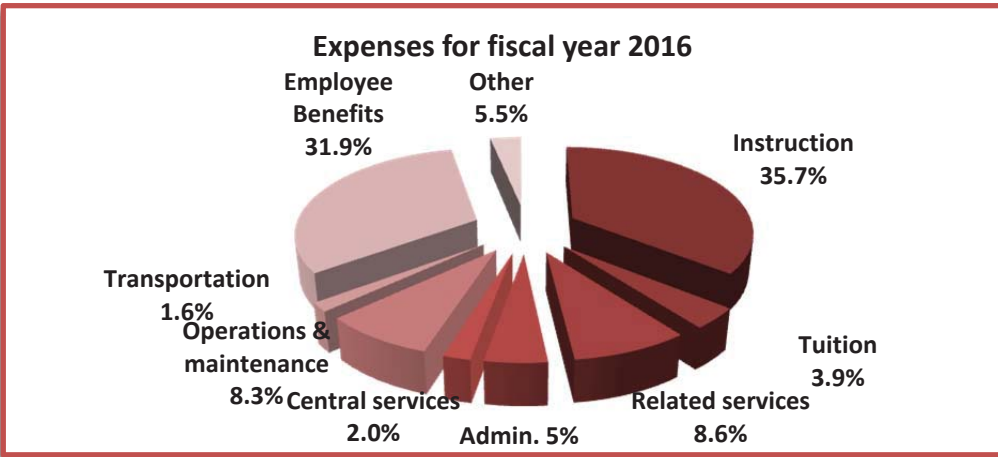
**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (Continued)**

Governmental Activities (continued)



The total cost of all programs and services was \$23,523,392. Instruction and benefits comprised 67.6% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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 revenues exceeded expenses by \$29,708.
- Charges for services represent \$125,126 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 \$398,279.

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 2015 | Net Cost of Services Services 2015 | Total Cost of Services 2016 | Net Cost of Services Services 2016 |
|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| Instruction | \$ 8,147,880 | \$ 7,330,531 | \$ 8,228,513 | \$ 7,038,651 |
| Support Services: | | | | |
| Pupils and Instructional Staff | 2,808,471 | 2,578,381 | 2,879,635 | 2,611,229 |
| Administration | 1,495,182 | 1,495,182 | 1,527,924 | 1,527,924 |
| Operations and Maintenance | 1,833,142 | 1,833,142 | 1,922,024 | 1,922,024 |
| Pupil Transportation | 339,534 | 339,534 | 376,631 | 376,631 |
| Employee Benefits | 6,180,343 | 2,882,018 | 7,348,324 | 3,246,160 |
| Other | 374,346 | 374,346 | 746,461 | 746,461 |
| Total Expenses | \$ 21,178,898 | \$ 16,833,134 | \$ 23,029,512 | \$ 17,469,080 |

- 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, 2016
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 \$30,179,715 and expenditures were \$23,029,512 in 2016. The net change in fund balance for the year was most significant in the Capital Projects Fund – a decrease of \$3,857,903. 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 \$54,157. Revenues from tuition exceeded budget by \$162,954.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$303,746 and special education budgeted cost exceeded actual expenses by \$245,579.
- ❖ Budgeted tuition cost exceeded actual by approximately \$7,435. 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, 2016
UNAUDITED (Continued)**

General Fund Budgeting Highlights (continued)

- ❖ Budgeted administrative costs exceeded actual by approximately \$111,132. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$6,255 less than budgeted due to the utilization of purchasing through Co-operatives.
- ❖ Overall the budget projected a use of \$720,000 in fund balance where there was an actual addition to fund balance of \$ 3,144,396.

Capital Assets

At the end of the fiscal year 2016, the School District had \$26,235,178 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 5 shows fiscal year 2016 balances compared to 2015.

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

| | 2015 | 2016 |
|--------------------------------------------------|---------------|---------------|
| Governmental Activities: | | |
| Land | \$ 9,786,500 | \$ 9,786,500 |
| Construction in Progress | 4,809,534 | 5,314,502 |
| Building & Improvements | 5,827,061 | 15,186,353 |
| Equipment | 3,248,225 | 3,348,934 |
| Less: Accumulated Depreciation | (7,014,938) | (7,427,047) |
| Governmental Activities- Capital Assets, net | 16,656,382 | 26,209,242 |
| Business-Type Activities | | |
| Food Service Equipment | 331,690 | 331,690 |
| Less: Accumulated Depreciation | (300,682) | (305,743) |
| Business-Type Activities- Capital Assets, net | 31,008 | 25,947 |
| Total Capital Assets, net | \$ 16,687,390 | \$ 26,235,189 |








Overall capital assets increased \$9,547,799 from fiscal year 2015 to fiscal year 2016. 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, 2016
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 State regulations. The Business Office has a Standard Operating Procedures manual to describe in detail the business functions of the school district. Additionally, a district purchasing manual is available in the Business Office for staff reference. These documents will assist the district in meeting its statutory objectives as well as provide a framework from which to strengthen internal controls and increase efficiencies.
-  The District has completed the strategic planning process. The *Mount Holly Township School District Educational Strategy* positions the district to safeguard the school community's interests. It establishes a vision for the future and a pathway to achieve the vision. It sets out the principles and priorities with clear goals and objectives. And, it serves as a compass for how the District Administration, in partnership with the Board, will lead the school community.
-  The District has received additional funding from the Race to the Top Preschool Expansion Grant. This grant has provided resources for new preschool classrooms for the young children of Mount Holly.
-  The District passed a referendum and received a grant from the New Jersey School Development Authority (SDA) for Capital Improvements. The completed projects from the 2015-2016 school year included: a new roof, security vestibules and kitchen renovations at the Gertrude C. Folwell School; security vestibules installation at the John Brainerd School; and security vestibules, a new HVAC and fire alarm system at the F.W. Holbein School. These projects conclude the SDA approved facility updates.
-  It is important that the District continues to support expenditures for capital maintenance of our schools. Ground has been broken for a new maintenance building located at the F.W. Holbein School to store facility equipment.
-  The District will continue to increase its participation in shared service and inter-local service agreements over the coming years. 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, 2016

| ASSETS | GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL |
|-----------------------------------------------------------|----------------------------|---------------------------------|----------------------|
| Cash & Cash Equivalents | \$ 3,852,165 | \$ 100,922 | \$ 3,953,087 |
| Receivables, Net | 3,588,378 | 38,738 | 3,627,116 |
| Restricted Assets: | | | |
| Cash & Cash Equivalents | 5,154,075 | - | 5,154,075 |
| Tax Levy Receivable | 718,880 | - | 718,880 |
| Capital Assets, Net (Note 5) | 26,209,242 | 25,947 | 26,235,189 |
| Total Assets | 39,522,740 | 165,607 | 39,688,347 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred Outflows Related to Pensions | 862,239 | - | 862,239 |
| Total Deferred Outflow of Resources | 862,239 | - | 862,239 |
| Total Assets and Deferred Outflow of Resources | 40,384,979 | 165,607 | 40,550,586 |
| LIABILITIES | | | |
| Accounts Payable | 45,024 | - | 45,024 |
| Payable to State Government | 15,026 | - | 15,026 |
| Unearned Revenue | 164,820 | 792 | 165,612 |
| Bond Anticipation Note Payable | 3,000,000 | - | 3,000,000 |
| Noncurrent Liabilities (Note 7): | | | |
| Due Within One Year | 298,004 | - | 298,004 |
| Due Beyond One Year | 12,438,859 | - | 12,438,859 |
| Total Liabilities | 15,961,733 | 792 | 15,962,525 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Inflows Related to Pensions | 269,163 | - | 269,163 |
| Total Deferred Inflow of Resources | 269,163 | - | 269,163 |
| Total Liabilities and Deferred Inflow of Resources | 16,230,896 | 792 | 16,231,688 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 22,113,558 | 25,947 | 22,139,505 |
| Restricted For: | | | |
| Capital Projects | 2,987,248 | - | 2,987,248 |
| Debt Service | 39,779 | - | 39,779 |
| Other Purposes | 7,417,955 | - | 7,417,955 |
| Unrestricted | (8,404,457) | 138,868 | (8,265,589) |
| Total Net Position | \$ 24,154,083 | \$ 164,815 | \$ 24,318,898 |

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

**MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| 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 | \$ 5,559,807 | \$ - | \$ 1,189,862 | \$ (4,369,945) | \$ - | \$ (4,369,945) |
| Special Education | 2,162,306 | - | - | (2,162,306) | - | (2,162,306) |
| Other Instruction | 506,400 | - | - | (506,400) | - | (506,400) |
| Support Services & Undistributed Costs: | | | | | | |
| Tuition | 890,496 | - | - | (890,496) | - | (890,496) |
| Student & Instruction Related Services | 1,989,139 | - | 268,406 | (1,720,733) | - | (1,720,733) |
| General Administrative Services | 340,412 | - | - | (340,412) | - | (340,412) |
| School Administrative Services | 721,377 | - | - | (721,377) | - | (721,377) |
| Central Services | 466,135 | - | - | (466,135) | - | (466,135) |
| Plant Operations & Maintenance | 1,922,024 | - | - | (1,922,024) | - | (1,922,024) |
| Pupil Transportation | 376,631 | - | - | (376,631) | - | (376,631) |
| Unallocated Employee Benefits | 7,348,324 | - | 4,102,164 | (3,246,160) | - | (3,246,160) |
| Interest & Other Changes in Long-Term Debt | 305,584 | - | - | (305,584) | - | (305,584) |
| Unallocated Depreciation & Amortization | 440,877 | - | - | (440,877) | - | (440,877) |
| Total Governmental Activities: | 23,029,512 | - | 5,560,432 | (17,469,080) | - | (17,469,080) |
| Business-Type Activities: | | | | | | |
| Food Service | 493,880 | 125,126 | 398,279 | - | 29,525 | 29,525 |
| Total Business-Type Activities: | 493,880 | 125,126 | 398,279 | - | 29,525 | 29,525 |
| Total Primary Government: | \$ 23,523,392 | \$ 125,126 | \$ 5,958,711 | (17,469,080) | 29,525 | (17,439,555) |

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, 2016**

| <u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u> | | | |
|----------------------------------------------------------|------------------------------------|------------------------------------------|----------------------|
| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS- TYPE ACTIVITIES</u> | <u>TOTAL</u> |
| | 7,835,278 | - | 7,835,278 |
| | 16,480,283 | - | 16,480,283 |
| | 141,226 | - | 141,226 |
| | 14,785 | 183 | 14,968 |
| | 147,711 | - | 147,711 |
| | <u>24,619,283</u> | <u>183</u> | <u>24,619,466</u> |
| | 7,150,203 | 29,708 | 7,179,911 |
| | 17,003,880 | 135,107 | 17,138,987 |
| | <u>\$ 24,154,083</u> | <u>\$ 164,815</u> | <u>\$ 24,318,898</u> |

General Revenues:

Taxes:

Taxes Levied for General Purposes
Federal & State Aid Not Restricted
Tuition
Investment Earnings
Miscellaneous Income

Total General Revenues, Special Items, Extraordinary Items & Transfer

Change In Net Position
Net Position - Beginning

Net Position - Ending

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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, 2016**

| ASSETS | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|-------------------------------------------------------------------|---------------------|----------------------------|-----------------------------|-------------------------|----------------------|
| Cash & Cash Equivalents | \$ - | \$ - | \$ 3,574,868 | \$ 308,860 | \$ 3,883,728 |
| Tax Levy Receivable | 533,183 | - | - | 53,816 | 586,999 |
| Other Receivable | 56,102 | - | - | - | 56,102 |
| Intergovernmental Accounts Receivable | 314,057 | 218,772 | 2,412,380 | - | 2,945,209 |
| Interfund Receivable | 322,965 | - | - | - | 322,965 |
| Restricted Tax Levy Receivable | 718,880 | - | - | - | 718,880 |
| Restricted Cash & Cash Equivalents | 5,154,075 | - | - | - | 5,154,075 |
| Total Assets | \$ 7,099,262 | \$ 218,772 | \$ 5,987,248 | \$ 362,676 | \$ 13,667,958 |
| LIABILITIES & FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | \$ - | \$ 31,563 | \$ - | \$ - | \$ 31,563 |
| Interfund Payable | - | - | - | 322,897 | 322,897 |
| Bond Anticipation Notes Payable | - | - | 3,000,000 | - | 3,000,000 |
| Accounts Payable | 37,661 | 7,363 | - | - | 45,024 |
| Intergovernmental Account Payable: | | | | | |
| State | - | 15,026 | - | - | 15,026 |
| Unearned Revenue | - | 164,820 | - | - | 164,820 |
| Total Liabilities | 37,661 | 218,772 | 3,000,000 | 322,897 | 3,579,330 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Excess Surplus | 825,000 | - | - | - | 825,000 |
| Capital Reserve Account | 4,657,173 | - | - | - | 4,657,173 |
| Emergency Reserve | 250,000 | - | - | - | 250,000 |
| Maintenance Reserve | 965,782 | - | - | - | 965,782 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 720,000 | - | - | - | 720,000 |
| Committed for: | | | | | |
| Capital Projects | - | - | 2,987,248 | - | 2,987,248 |
| Assigned to: | | | | | |
| Debt Service Fund | - | - | - | 39,779 | 39,779 |
| Unassigned: | | | | | |
| General Fund | (356,354) | - | - | - | (356,354) |
| Total Fund Balances | 7,061,601 | - | 2,987,248 | 39,779 | 10,088,628 |
| Total Liabilities & Fund Balances | \$ 7,099,262 | \$ 218,772 | \$ 5,987,248 | \$ 362,676 | |

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 \$33,636,289 and the accumulated depreciation is \$7,427,047.

26,209,242

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.

593,076

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)

(12,736,863)

Net Position of Governmental Activities

\$ 24,154,083

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|-------------------------------------------|---------------------|----------------------------|-----------------------------|-------------------------|----------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 7,512,380 | \$ - | \$ - | \$ 322,898 | \$ 7,835,278 |
| Tuition Charges | 141,226 | - | - | - | 141,226 |
| Interest Earned | - | - | 14,325 | 460 | 14,785 |
| Miscellaneous | 135,336 | 5,143 | - | - | 140,479 |
| Total Local Sources | <u>7,788,942</u> | <u>5,143</u> | <u>14,325</u> | <u>323,358</u> | <u>8,131,768</u> |
| State Sources | 12,164,772 | 180,583 | 6,093,598 | - | 18,438,953 |
| Federal Sources | 93,682 | 1,272,542 | - | - | 1,366,224 |
| Total Revenues | <u>20,047,396</u> | <u>1,458,268</u> | <u>6,107,923</u> | <u>323,358</u> | <u>27,936,945</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 4,369,945 | \$ 1,189,862 | \$ - | \$ - | \$ 5,559,807 |
| Special Education | 2,162,306 | - | - | - | 2,162,306 |
| Other Instruction | 506,400 | - | - | - | 506,400 |
| Support Services & Undistributed Costs: | | | | | |
| Tuition | 890,496 | - | - | - | 890,496 |
| Student & Instruction Related Services | 1,720,733 | 268,406 | - | - | 1,989,139 |
| General Administrative Services | 340,412 | - | - | - | 340,412 |
| School Administrative Services | 721,377 | - | - | - | 721,377 |
| Central Services | 466,135 | - | - | - | 466,135 |
| Plant Operations & Maintenance | 1,790,757 | - | - | - | 1,790,757 |
| Pupil Transportation | 376,631 | - | - | - | 376,631 |
| Unallocated Employee Benefits | 4,974,852 | - | - | - | 4,974,852 |
| Debt Service: | | | | | |
| Interest & Other Charges | - | - | - | 322,898 | 322,898 |
| Capital Outlay | 242,666 | - | 9,951,501 | - | 10,194,167 |
| Total Expenditures | <u>18,562,710</u> | <u>1,458,268</u> | <u>9,951,501</u> | <u>322,898</u> | <u>30,295,377</u> |
| Other Financing Sources\ (Uses): | | | | | |
| Bond Anticipation Note Premium | - | - | 7,232 | - | 7,232 |
| Transfer (In)/(Out) | - | - | (21,557) | 21,557 | - |
| Total Other Financing Sources\ (Uses) | <u>-</u> | <u>-</u> | <u>(14,325)</u> | <u>21,557</u> | <u>7,232</u> |
| Net Change in Fund Balances | 1,484,686 | - | (3,857,903) | 22,017 | (2,351,200) |
| Fund Balance - July 1 | <u>5,576,915</u> | <u>-</u> | <u>6,845,151</u> | <u>17,762</u> | <u>12,439,828</u> |
| Fund Balance - June 30 | <u>\$ 7,061,601</u> | <u>\$ -</u> | <u>\$ 2,987,248</u> | <u>\$ 39,779</u> | <u>\$ 10,088,628</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 FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (2,351,200)

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 | \$ | (440,877) | |
| Deletions & Adjustments | | (120,576) | |
| Capital Outlay | | 10,114,313 | 9,552,860 |

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. 55,886

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 - 2016 | | 195,114 | |
| State Share of Unfunded TPAF Pension Expense | | 2,235,538 | |
| Unfunded TPAF Pension Expense | | (2,235,538) | |
| Pension Expense | | (333,048) | (137,934) |

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 | | (559,414) | |
| Prior Year | | 590,005 | 30,591 |

Change in Net Position of Governmental Activities \$ 7,150,203

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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, 2016**

| ASSETS | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|----------------------------------------|-----------------------------------------------------------------------------------|
| Current Assets: | |
| Cash | \$ 100,922 |
| Intergovernmental Accounts Receivables | 23,012 |
| Accounts Receivables - Other | 1,228 |
| Inventories | <u>14,498</u> |
| Total Current Assets | <u>139,660</u> |
| Fixed Assets: | |
| Equipment | 331,690 |
| Less: Accumulated Depreciation | <u>(305,743)</u> |
| Total Fixed Assets | <u>25,947</u> |
| Total Assets | <u>165,607</u> |
| LIABILITIES | |
| Unearned Revenue | <u>792</u> |
| Total Liabilities | <u>792</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 25,947 |
| Unrestricted Net Position | <u>138,868</u> |
| Total Net Position | <u><u>\$ 164,815</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 FISCAL YEAR ENDED JUNE 30, 2016**

| | | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND |
|----------------------------------------|----|-----------------------------------------------------|
| | | <u>FOOD SERVICE FUND</u> |
| Operating Revenues: | | |
| Local Sources: | | |
| Daily Sales - Reimbursable Programs: | \$ | 90,526 |
| Daily Sales Non-Reimbursable Programs | | 24,762 |
| Special Functions | | 9,838 |
| | | <u>125,126</u> |
| Total Operating Revenues | | <u>125,126</u> |
| Operating Expenses: | | |
| Salaries and Benefits | | 191,577 |
| Supplies & Materials | | 13,165 |
| Depreciation | | 5,062 |
| Management Fee | | 16,650 |
| Cost of Sales | | 260,029 |
| Direct Services | | 7,397 |
| | | <u>493,880</u> |
| Total Operating Expenses | | <u>493,880</u> |
| Operating Income/(Loss) | | <u>(368,754)</u> |
| Nonoperating Revenues/(Expenses): | | |
| State Sources: | | |
| State School Lunch Program | | 5,731 |
| Federal Sources: | | |
| National School Lunch Program | | 258,382 |
| National School Breakfast Program | | 77,305 |
| Special Milk Program | | 365 |
| Food Distribution Program | | 35,144 |
| Healthy Hungry Kids Act | | 6,753 |
| After School Snack | | 14,599 |
| Interest Revenue | | 183 |
| | | <u>398,462</u> |
| Total Nonoperating Revenues/(Expenses) | | <u>398,462</u> |
| Net Income/(Loss) | | 29,708 |
| Net Position - July 1 | | <u>135,107</u> |
| Net Position - June 30 | \$ | <u><u>164,815</u></u> |

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 FISCAL YEAR ENDED JUNE 30, 2016**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Cash Flows From Operating Activities: | |
| Receipts from Customers | \$ 153,376 |
| Payments to Employees | (191,577) |
| Payments to Suppliers | <u>(298,823)</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>(337,024)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| Cash Received from State & Federal Reimbursements | <u>359,499</u> |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>359,499</u> |
| Cash Flows From Investing Activities: | |
| Interest & Dividends | <u>183</u> |
| Net Cash Provided/(Used) by Investing Activities | <u>183</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 22,658 |
| Balances - Beginning of Year | <u>78,264</u> |
| Balances - End of Year | <u><u>\$ 100,922</u></u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Operating Income/(Loss) | \$ (368,754) |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Depreciation | 5,062 |
| Food Distribution Program | 35,144 |
| (Increase)/Decrease in Receivables | (31) |
| (Increase)/Decrease in Inventories | (1,582) |
| Increase/(Decrease) in Unearned Revenues | <u>(6,863)</u> |
| Total Adjustments | <u>31,730</u> |
| Net Cash Provided/(Used) by Operating Activities | <u><u>\$ (337,024)</u></u> |

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, 2016**

| ASSETS | <u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u> | AGENCY FUND | <u>TOTALS JUNE 30, 2016</u> |
|------------------------------------------|--------------------------------------------------------------------|----------------|-------------------------------------|
| Cash & Cash Equivalents | \$ 180,093 | \$ 7,947 | \$ 188,040 |
| Total Assets | <u>180,093</u> | <u>7,947</u> | <u>188,040</u> |
| LIABILITIES | | | |
| Interfund Payable | - | 68 | 68 |
| Due to Student Groups | - | 7,879 | 7,879 |
| Total Liabilities | <u>-</u> | <u>7,947</u> | <u>7,947</u> |
| NET POSITION | | | |
| Reserve for Unemployment Compensation | <u>180,093</u> | - | <u>180,093</u> |
| Total Net Position | <u>\$ 180,093</u> | <u>\$ -</u> | <u>\$ 180,093</u> |

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

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION TRUST</u> |
|-------------------------|----------------------------------------------------------------------|
| ADDITIONS: | |
| Contributions: | |
| Employee Contributions | \$ 17,769 |
| Total Contributions | <u>17,769</u> |
| Investment Earnings: | |
| Interest | <u>299</u> |
| Net Investment Earnings | <u>299</u> |
| Total Additions | <u>18,068</u> |
| DEDUCTIONS: | |
| Unemployment Claims | <u>10,410</u> |
| Total Deductions | <u>10,410</u> |
| Change in Net Position | 7,658 |
| Net Position - July 1 | <u>172,435</u> |
| Net Position - June 30 | <u><u>\$ 180,093</u></u> |

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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.

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, 2016 of 987 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 and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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.

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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 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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

- 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 components 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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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, 2016 through the date of September 16, 2016, 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

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 GUDPA. Under the Act, the first \$250,000.00 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. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity 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, 2016 the District’s bank balance of \$11,188,143 was exposed to custodial credit risk as follows:

| | |
|------------------------------------------------------|----------------------------|
| Insured | \$ 250,000 |
| Uninsured | 211,788 |
| Collateralized in the District’s Name Under GUDPA | <u>10,726,355</u> |
| Total | <u>\$11,188,143</u> |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 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, 2015 to June 30, 2016 fiscal year is as follows:

| | | |
|---------------------------------|----|------------------|
| Beginning Balance, July 1, 2015 | \$ | 3,064,793 |
| Transfer per June Resolution | | 2,106,380 |
| Budgeted Withdrawl | | <u>(514,000)</u> |
| Ending Balance, June 30, 2016 | \$ | <u>4,657,173</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 \$965,782 at June 30, 2016.

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 3. Reserve Accounts (continued):

The activity of the maintenance reserve for the June 30, 2015 to June 30, 2016 fiscal year is as follows:

| | | |
|---------------------------------|----|---------|
| Beginning Balance, July 1, 2015 | \$ | 865,782 |
| Transfer by Resolution | | 100,000 |
| Ending Balance, June 30, 2016 | \$ | 965,782 |

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, 2016.

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 emergency reserve for the June 30, 2015 to June 30, 2016 fiscal year is as follows:

| | | |
|--------------------------------------|----|---------|
| Ending Balance, June 30, 2016 & 2015 | \$ | 250,000 |
|--------------------------------------|----|---------|

Note 4. Transfers to Capital Outlay

During the year ending June 30, 2016 the District transferred \$417,348 to capital outlay accounts.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016:

| | June 30, 2015 | Additions | Deletions | Transfers/ Adjustments | June 30, 2016 |
|------------------------------------------------|------------------|--------------|------------|---------------------------|------------------|
| Governmental Activities: | | | | | |
| Capital assets that are not being depreciated: | | | | | |
| Land | \$ 9,786,500 | \$ - | \$ - | \$ - | \$ 9,786,500 |
| Construction in progress | 4,809,534 | 504,968 | - | - | 5,314,502 |
| | | | | | |
| Total capital assets not being depreciated | 14,596,034 | 504,968 | - | - | 15,101,002 |
| | | | | | |
| Buildings and improvements | 5,827,061 | 9,446,533 | - | (87,241) | 15,186,353 |
| Machinery and equipment | 3,248,225 | 162,812 | (77,175) | 15,072 | 3,348,934 |
| Subtotal | 9,075,286 | 9,609,345 | (77,175) | (72,169) | 18,535,287 |
| | | | | | |
| Less: accumulated depreciation: | | | | | |
| Buildings and improvements | (4,718,322) | (252,366) | - | (27,984) | (4,998,672) |
| Machinery and equipment | (2,296,616) | (188,511) | 68,407 | (11,655) | (2,428,375) |
| Total accumulated depreciation | (7,014,938) | (440,877) | 68,407 | (39,639) | (7,427,047) |
| | | | | | |
| Total capital assets being depreciated, net | 2,060,348 | 9,168,468 | (8,768) | (111,808) | 11,108,240 |
| | | | | | |
| Governmental activities capital assets, net | \$ 16,656,382 | \$ 9,673,436 | \$ (8,768) | \$ (111,808) | \$ 26,209,242 |

Business-Type Activities

| | June 30, 2015 | Additions | Deletions | Adjustments | June 30, 2016 |
|--------------------------|------------------|------------|-----------|-------------|------------------|
| Machinery & Equipment | \$ 331,690 | \$ - | \$ - | \$ - | \$ 331,690 |
| Subtotal | 331,690 | - | - | - | 331,690 |
| Accumulated Depreciation | (300,682) | (5,061) | - | - | (305,743) |
| Total | \$ 31,008 | \$ (5,061) | \$ - | \$ - | \$ 25,947 |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 6. Receivables

Receivables at June 30, 2016 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 | Debt Service Fund | Proprietary Funds | Total |
|-------------------|---------------------|----------------------------|-----------------------------|-------------------------|----------------------|---------------------|
| Intergovernmental | \$ 314,057 | \$ 218,772 | \$ 2,412,380 | \$ - | \$ 23,012 | \$ 2,968,221 |
| Other | <u>1,308,165</u> | <u>-</u> | <u>-</u> | <u>53,816</u> | <u>1,228</u> | <u>1,363,209</u> |
| Total | <u>\$ 1,622,222</u> | <u>\$ 218,772</u> | <u>\$ 2,412,380</u> | <u>\$ 53,816</u> | <u>\$ 24,240</u> | <u>\$ 4,331,430</u> |

Note 7. Long-Term Obligations

During the fiscal year ended June 30, 2016 the following changes occurred in long-term obligations:

| | June 30, 2015 | Additions | Reductions | June 30, 2016 | Due Within One Year |
|---------------------------------|----------------------|---------------------|--------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 590,005 | \$ - | \$ (30,591) | \$ 559,414 | \$ - |
| Capital Leases Payable | 199,818 | - | (55,886) | 143,932 | 58,004 |
| Bonds Payable | 6,939,000 | - | - | 6,939,000 | 240,000 |
| Net Pension Liability | <u>4,020,894</u> | <u>1,073,623</u> | <u>-</u> | <u>5,094,517</u> | <u>-</u> |
| Total | <u>\$ 11,749,717</u> | <u>\$ 1,073,623</u> | <u>\$ (86,477)</u> | <u>\$ 12,736,863</u> | <u>\$ 298,004</u> |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016.

| Year-ending June 30, | Amount |
|-----------------------------------------|----------------------|
| 2015 | \$ 62,376.00 |
| 2016 | 62,376.00 |
| 2017 | <u>25,990.00</u> |
| Minimum Lease Payments | 150,742.00 |
| Less: Interest | <u>(6,810.00)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 143,932.00</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%.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 7. Long-Term Obligations (continued):

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

| Year-ending June 30, | Principal | Interest | Total |
|---------------------------------|---------------------|---------------------|---------------------|
| 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 | 300,000 | 179,115 | 479,115 |
| 2022-2026 | 1,645,000 | 753,450 | 2,398,450 |
| 2027-2031 | 2,055,000 | 478,200 | 2,533,200 |
| 2032-2035 | 1,884,000 | 130,628 | 2,014,628 |
| Total | <u>\$ 6,939,000</u> | <u>\$ 2,341,478</u> | <u>\$ 9,280,478</u> |

Note 8. Bond Anticipation Note Payable

By board resolution, the Mount Holly School District authorized the issuance of bond anticipation notes as temporary financing for ongoing capital projects. In July of 2015, the District issued \$3,000,000 in notes at a rate of 1% which mature in July of 2016.

Note 9. 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/annrpts.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 |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued):

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

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

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

Three-Year Trend Information for PERS

| Year Funded | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------|------------------------------------------|----------------------------------------------|---------------------------------------|
| 6/30/2016 | \$ 195,114 | 100% | \$ 5,094,517 |
| 6/30/2015 | 177,045 | 100% | 4,020,894 |
| 6/30/2014 | 172,525 | 100% | 4,376,091 |

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$5,094,517 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. 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, 2015. The District's proportion measured as of June 30, 2015, was .02148%, which was an decrease of .00141% from its proportion measured as of June 30, 2014

Balances at June 30, 2016 and June 30, 2015

| | <u>6/30/2016</u> | <u>6/30/2015</u> |
|--------------------------------------------------------------|------------------|------------------|
| | July 1, 2015 | July 1, 2014 |
| Actuarial valuation date | | |
| Deferred Outflows of Resources | \$ 862,239 | \$ 321,552 |
| Deferred Inflows of Resources | 269,163 | 469,051 |
| Net Pension Liability | 5,094,517 | 4,020,894 |
| District's portion of the Plan's total net pension Liability | 0.02269% | 0.02148% |

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$333,048. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Changes of assumptions | \$ 547,110 | \$ - |
| Differences between expected and actual experience | 121,537 | 81,910 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 193,592 | 187,253 |
| Total | \$ 862,239 | \$ 269,163 |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | <u>PERS</u> |
|------------------------|-------------|
| 2017 | \$ 111,234 |
| 2018 | 111,234 |
| 2019 | 111,234 |
| 2020 | 171,140 |
| 2021 | 88,233 |
| Thereafter | - |

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | |
|--------------------------|-----------------------------------------------------------------------------------|
| Measurement date | June 30, 2015 |
| Actuarial valuation date | July 1, 2014 |
| 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 | 3.04% |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|-----------------------------------------------|
| Cash | 5.00% | 1.04% |
| Core Bonds | 1.75% | 1.64% |
| Intermediate - Term Bonds | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Equities | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds/Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |
| Total | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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 as of June 30, 2015, 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 (3.90) or 1-percentage-point higher (5.90%) than the current rate:

| | <u>1%</u> <u>Decrease</u> <u>3.90%</u> | <u>Current</u> <u>Discount</u> <u>Rate 4.90%</u> | <u>1%</u> <u>Increase</u> <u>5.90%</u> |
|----------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------|----------------------------------------------|
| District's proportionate share of the net pension liability | \$ 6,331,861 | \$ 5,094,517 | \$ 4,057,137 |

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/annrprts.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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 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 2015, 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF)

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 |
|----------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/2016 | \$ 1,305,280 | 100% | - |
| 6/30/2015 | 1,026,324 | 100% | - |
| 6/30/2014 | 819,675 | 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 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, 2015 |
| Actuarial valuation date | July 1, 2014 |
| 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|-----------------------------------------------|
| US Cash | 5.00% | 0.53% |
| ernment Bonds | 1.75% | 1.39% |
| US Credit Bonds | 13.50% | 2.72% |
| US Mortgage | 2.10% | 2.54% |
| US Inflation-Indexed Bonds | 1.50% | 1.47% |
| US High Yield Bonds | 2.00% | 4.57% |
| US Equity Market | 27.25% | 5.63% |
| Foreign-Developed Equity | 12.00% | 6.22% |
| Emerging Markets Equity | 6.40% | 8.46% |
| Private Real Estate Property | 4.25% | 3.97% |
| Timber | 1.00% | 4.09% |
| Farmland | 1.00% | 4.61% |
| Private Equity | 9.25% | 9.15% |
| Commodities | 1.00% | 3.58% |
| Hedge Funds - Multistrategy | 4.00% | 4.59% |
| Hedge Funds - Equity Hedge | 4.00% | 5.68% |
| Hedge Funds - Distressed | 4.00% | 4.30% |
| Total | 100% | |

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9: Pension Obligations (continued):

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

that contributions from employers will be made based on the average of the last five years of employers' 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 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.

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 Plan (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, 2016, employee contributions total \$20,268, and the District recognized pension expense of \$11,038.

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, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. 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 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for Amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

| Fiscal Year | Distict Contributions | Employee Contributions | Interest | Claims | Ending Balance |
|--------------------|------------------------------|-------------------------------|-----------------|---------------|-----------------------|
| 2015-2016 | \$ - | \$ 17,769 | \$ 299 | \$ 10,410 | \$ 180,093 |
| 2014-2015 | - | 16,589 | 170 | 20,142 | 172,435 |
| 2013-2014 | - | 16,019 | 197 | 98,816 | 175,818 |

Note 12. Contingencies

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined statements for such contingencies.

Note 13. Economic Dependency

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 14. Fund Balance Disclosures

General Fund – of the \$7,061,601 General Fund fund balance at June 30, 2016 \$4,657,173 has been restricted for the Capital Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$965,782 has been restricted for the Maintenance Reserve Account; \$720,000 is restricted for excess surplus designated for subsequent years expenditures; \$825,000 is restricted for excess surplus and (\$356,354) is unassigned.

Capital Projects Fund – All of the \$2,987,248 Capital Projects Fund fund balance at June 30, 2016 is committed.

Debt Service Fund – All of the \$39,779 Debt Service Fund fund balance at June 30, 2016 is assigned.

Note 15. Interfund Receivables, Payables and Transfers

The following interfund balances remained on the balance sheet at June 30, 2016:

| Fund | Interfund Receivable | Interfund Payable |
|---------------------|-------------------------|----------------------|
| General Fund | \$ 322,965 | \$ - |
| Debt Service | - | 322,897 |
| Trust & Agency Fund | - | 68 |
| | | |
| Total | \$ 322,965 | \$ 322,965 |

The summary of interfund transfers follows:

| Fund | Transfers In | Transfers Out |
|----------------|--------------|---------------|
| General | \$ - | \$ 323,003 |
| Capital | - | 17,762 |
| Debt Service | 340,728 | - |
| Payroll Agency | 38 | - |
| | | |
| Total | \$ 340,766 | \$ 340,765 |

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

Note 16. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

16. Deferred Compensation (continued)

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 **Note** under the plans, all property and rights purchases with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the District's creditors.

Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

| | |
|---------------------|-----------|
| Lincoln Investments | Equitable |
|---------------------|-----------|

Note 17. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$559,414.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 18. 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, 2016 is \$825,000.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 19. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(8,404,457) existed as of June 30, 2016 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.

Note 20. Subsequent Events- Bond Anticipation Note

In July 2016 the Board of Education issued bond anticipation notes in the amount of \$7,000,000 to temporarily fund various capital projects prior to the reimbursement of SDA funds.

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 YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|------------------------------------------------------|----------------|-------------------|------------------|-------------------|-------------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 10-1210 | \$ 7,512,380 | \$ - | \$ 7,512,380 | \$ 7,512,380 | \$ - |
| Interest on Capital Reserve | 10-1XXX | 2,000 | - | 2,000 | - | (2,000) |
| Tuition | 10-1300 | - | - | - | 141,226 | 141,226 |
| Unrestricted Miscellaneous | 10-1990 | 5,000 | - | 5,000 | 135,336 | 130,336 |
| Total Local Sources | | 7,519,380 | - | 7,519,380 | 7,788,942 | 269,562 |
| State Sources: | | | | | | |
| Categorical Transportation Aid | 10-3121 | 128,424 | - | 128,424 | 128,424 | - |
| Categorical Special Education Aid | 10-3132 | 537,492 | - | 537,492 | 537,492 | - |
| Equalization Aid | 10-3176 | 7,996,220 | - | 7,996,220 | 7,996,220 | - |
| Categorical Security Aid | 10-3177 | 265,020 | - | 265,020 | 265,020 | - |
| Adjustment Aid | 10-3178 | 1,059,003 | - | 1,059,003 | 1,059,003 | - |
| PARCC Readiness | 10-3190 | 9,550 | - | 9,550 | 9,550 | - |
| Per Pupil Growth Aid | 10-3191 | 9,550 | - | 9,550 | 9,550 | - |
| Extraordinary Aid | 10-3131 | 12,500 | - | 12,500 | 49,614 | 37,114 |
| Other State Aid - | | | | | | |
| Homeless Reimbursement | 10-3xxx | - | - | - | 231,272 | 231,272 |
| Nonpublic School Transportation | | | | | 4,872 | 4,872 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 709,459 | 709,459 |
| On-Behalf TPAF Pension Contributions | | - | - | - | 595,821 | 595,821 |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 561,346 | 561,346 |
| Total State Sources | | 10,017,759 | - | 10,017,759 | 12,157,643 | 2,139,884 |
| Federal Sources: | | | | | | |
| Medicaid Reimbursement | 10-4200 | 39,525 | - | 39,525 | 93,682 | 54,157 |
| Total Federal Services | | 39,525 | - | 39,525 | 93,682 | 54,157 |
| Total Revenues | | 17,576,664 | - | 17,576,664 | 20,040,267 | 2,463,603 |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Instruction - Regular Programs: | | | | | | |
| Salaries of Teachers: | | | | | | |
| Pre-Kindergarten | 11-105-100-101 | - | 1,627 | 1,627 | 1,627 | - |
| Kindergarten | 11-110-110-101 | 316,812 | 67,301 | 384,113 | 368,014 | 16,099 |
| Grades 1 - 5 | 11-120-100-101 | 2,163,526 | 662 | 2,164,188 | 2,009,265 | 154,923 |
| Grades 6 - 8 | 11-130-100-101 | 1,424,025 | - | 1,424,025 | 1,373,466 | 50,559 |
| Regular Programs - Home Instruction: | | | | | | |
| Salaries of Teachers | 11-150-100-101 | 10,000 | 1,064 | 11,064 | 6,094 | 4,970 |
| Purchased Professional & Educational Services | 11-150-100-320 | 12,000 | 4,310 | 16,310 | 15,435 | 875 |
| Regular Programs - Undistributed: | | | | | | |
| Other Salaries for Instruction | 11-190-100-106 | 147,130 | 22,321 | 169,451 | 162,036 | 7,415 |
| Purchased Professional & Educational Services | 11-190-100-320 | 258,666 | (63,225) | 195,441 | 156,046 | 39,395 |
| Purchased Technical Services | 11-190-100-340 | 20,100 | 4,792 | 24,892 | 23,897 | 995 |
| Other Purchased Services | 11-190-100-500 | 52,200 | (843) | 51,357 | 47,452 | 3,905 |
| General Supplies | 11-190-100-610 | 274,010 | (48,236) | 225,774 | 203,590 | 22,184 |
| Textbooks | 11-190-100-640 | 6,890 | (1,591) | 5,299 | 3,023 | 2,276 |
| Other Objects | 11-190-100-800 | 150 | - | 150 | - | 150 |
| Regular Programs - Employee Benefits: | | | | | | |
| Health Benefits | 11-1xx-100-270 | 36,871 | (36,871) | - | - | - |
| Tuition Reimbursement | 11-1xx-100-280 | 29,000 | (29,000) | - | - | - |
| Total Instruction - Regular Programs | | 4,751,380 | (77,689) | 4,673,691 | 4,369,945 | 303,746 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|-------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Special Education: | | | | | | |
| Multiple Disabilities: | | | | | | |
| Salaries of Teachers | 11-212-100-101 | 382,561 | (34) | 382,527 | 331,612 | 50,915 |
| Other Salaries for Instruction | 11-212-100-106 | 98,145 | 14,919 | 113,064 | 111,840 | 1,224 |
| Purchased Professional & Educational Services | 11-212-100-320 | 249,000 | (32,901) | 216,099 | 135,698 | 80,401 |
| General Supplies | 11-212-100-610 | 9,805 | 765 | 10,570 | 6,631 | 3,939 |
| Textbooks | 11-212-100-640 | 200 | (200) | - | - | - |
| Other Objects | 11-212-100-800 | 200 | - | 200 | - | 200 |
| Total Multiple Disabilities | | 739,911 | (17,451) | 722,460 | 585,781 | 136,679 |
| Resource Room/Center: | | | | | | |
| Salaries of Teachers | 11-213-100-101 | 1,456,513 | (54,314) | 1,402,199 | 1,375,951 | 26,248 |
| Other Salaries for Instruction | 11-213-100-106 | 190,382 | 45 | 190,427 | 150,647 | 39,780 |
| Purchased Professional & Educational Services | 11-213-100-320 | 56,500 | - | 56,500 | 20,153 | 36,347 |
| General Supplies | 11-213-100-610 | 4,040 | 1,850 | 5,890 | 4,790 | 1,100 |
| Other Objects | 11-213-100-800 | 1,600 | (1,600) | - | - | - |
| Total Resource Room/Center | | 1,709,035 | (54,019) | 1,655,016 | 1,551,541 | 103,475 |
| Preschool Disabilities - Part Time: | | | | | | |
| Salaries of Teachers | 11-215-100-101 | 54,208 | (54,208) | - | - | - |
| Other Salaries for Instruction | 11-215-100-106 | 24,396 | 121 | 24,517 | 24,039 | 478 |
| Purchased Professional & Educational Services | 11-215-100-320 | 5,000 | 42 | 5,042 | 219 | 4,823 |
| General Supplies | 11-215-100-600 | 150 | 700 | 850 | 726 | 124 |
| Total Preschool Disabilities - Part Time | | 83,754 | (53,345) | 30,409 | 24,984 | 5,425 |
| Employee Benefits - Special Education: | | | | | | |
| Health Benefits | 11-2xx-100-270 | 156,254 | (156,254) | - | - | - |
| Tuition Reimbursement | 11-2xx-100-280 | 13,000 | (13,000) | - | - | - |
| Total Employee Benefits - Special Education | | 169,254 | (169,254) | - | - | - |
| Total Special Education | | 2,701,954 | (294,069) | 2,407,885 | 2,162,306 | 245,579 |
| Basic Skills/Remedial: | | | | | | |
| Salaries of Teachers | 11-230-100-101 | 23,254 | 108,612 | 131,866 | 131,866 | - |
| Purchased Professional & Educational Services | 11-230-100-320 | 2,000 | - | 2,000 | - | 2,000 |
| General Supplies | 11-230-100-600 | 1,000 | (785) | 215 | - | 215 |
| Total Basic Skills/Remedial | | 26,254 | 107,827 | 134,081 | 131,866 | 2,215 |
| Bilingual Education: | | | | | | |
| Salaries of Teachers | 11-240-100-101 | 137,542 | (3,407) | 134,135 | 128,082 | 6,053 |
| Purchased Professional & Educational Services | 11-240-100-320 | 4,000 | - | 4,000 | 1,725 | 2,275 |
| General Supplies | 11-240-100-610 | 750 | - | 750 | - | 750 |
| Total Bilingual Education | | 142,292 | (3,407) | 138,885 | 129,807 | 9,078 |
| School Sponsored Cocurricular Activities: | | | | | | |
| Salaries of Teachers | 11-401-100-101 | 101,320 | 6,422 | 107,742 | 99,799 | 7,943 |
| Purchased Services | 11-401-100-500 | 11,820 | (2,153) | 9,667 | 3,855 | 5,812 |
| Supplies and Materials | 11-401-100-600 | 8,150 | - | 8,150 | 3,035 | 5,115 |
| Other Objects | 11-401-100-800 | 7,825 | (117) | 7,708 | 2,959 | 4,749 |
| Total School Sponsored Cocurricular Activities | | 129,115 | 4,152 | 133,267 | 109,648 | 23,619 |
| School Sponsored Athletics: | | | | | | |
| Salaries of Teachers | 11-402-100-100 | 11,958 | 74 | 12,032 | 11,094 | 938 |
| Total School Sponsored Athletics | | 11,958 | 74 | 12,032 | 11,094 | 938 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--------------------------------------------------------------------|----------------|-----------------|------------------|----------------|----------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Other Instructional Programs: | | | | | | |
| Salaries of Teachers | 11-403-100-100 | 84,568 | (19,074) | 65,494 | 54,231 | 11,263 |
| Other Purchased Services | 11-403-100-500 | - | 541 | 541 | 391 | 150 |
| Supplies and Materials | 11-403-100-600 | 3,005 | (380) | 2,625 | 508 | 2,117 |
| Total Other Instructional Programs | | 87,573 | (18,913) | 68,660 | 55,130 | 13,530 |
| Before & After School Programs: | | | | | | |
| Purchased Professional & Technical Services | 11-421-100-300 | 5,000 | - | 5,000 | 2,049 | 2,951 |
| Total Before & After School Programs | | 5,000 | - | 5,000 | 2,049 | 2,951 |
| Support Services: | | | | | | |
| Tuition: | | | | | | |
| Tuition to Other LEA's - Within State Regular | 11-000-100-561 | 107,150 | 58,290 | 165,440 | 164,445 | 995 |
| Tuition to County Special Services & Regular Day Schools | 11-000-100-565 | 538,098 | 129,527 | 667,625 | 661,185 | 6,440 |
| Tuition to Private Schools - Handicapped Within State | 11-000-100-566 | 247,395 | (231,943) | 15,452 | 15,452 | - |
| Tuition- Other | 11-000-100-569 | - | 49,414 | 49,414 | 49,414 | - |
| Total Tuition | | 892,643 | 5,288 | 897,931 | 890,496 | 7,435 |
| Attendance & Social Work Services: | | | | | | |
| Salaries | 11-000-211-100 | 58,538 | 3,109 | 61,647 | 57,229 | 4,418 |
| Other Purchased Services | 11-000-211-500 | 1,000 | - | 1,000 | 781 | 219 |
| Total Attendance & Social Work Services | | 59,538 | 3,109 | 62,647 | 58,010 | 4,637 |
| Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 233,444 | 931 | 234,375 | 227,731 | 6,644 |
| Purchased Professional & Technical Services | 11-000-213-300 | 11,500 | 2,130 | 13,630 | 13,057 | 573 |
| Other Purchased Services | 11-000-213-500 | 750 | 360 | 1,110 | 930 | 180 |
| Supplies and Materials | 11-000-213-600 | 12,426 | (6,690) | 5,736 | 4,284 | 1,452 |
| Total Health Services | | 258,120 | (3,269) | 254,851 | 246,002 | 8,849 |
| Speech, OT, PT, Related & Extraordinary Services: | | | | | | |
| Salaries | 11-000-216-100 | 199,029 | 1,615 | 200,644 | 173,087 | 27,557 |
| Purchased Professional & Educational Services | 11-000-216-320 | 166,000 | (12,170) | 153,830 | 85,016 | 68,814 |
| Travel | 11-000-216-580 | - | 75 | 75 | 75 | - |
| Supplies and Materials | 11-000-216-600 | 8,700 | 5,000 | 13,700 | 13,368 | 332 |
| Total Speech, OT, PT, Related & Extraordinary Services: | | 373,729 | (5,480) | 368,249 | 271,546 | 96,703 |
| Other Support Services- Extra Services: | | | | | | |
| Purchased Professional & Educational Services | 11-000-217-320 | - | 78,800 | 78,800 | 66,806 | 11,994 |
| Total Other Support Services: | | - | 78,800 | 78,800 | 66,806 | 11,994 |
| Guidance: | | | | | | |
| Salaries of Other Professional Staff | 11-000-218-104 | 260,302 | (20,515) | 239,787 | 225,243 | 14,544 |
| Supplies and Materials | 11-000-218-600 | 3,220 | - | 3,220 | 1,696 | 1,524 |
| Total Guidance | | 263,522 | (20,515) | 243,007 | 226,939 | 16,068 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|----------------------------------------------------------|----------------|-----------------|------------------|----------------|----------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Child Study Teams: | | | | | | |
| Salaries of Other Professional Staff | 11-000-219-104 | 457,627 | 5,034 | 462,661 | 394,093 | 68,568 |
| Salaries of Secretarial & Clerical Assistants | 11-000-219-105 | 72,206 | - | 72,206 | 64,713 | 7,493 |
| Other Purchased Professional & Technical Services | 11-000-219-390 | 74,000 | 9,940 | 83,940 | 52,856 | 31,084 |
| Other Purchased Services | 11-000-219-500 | 20,063 | (575) | 19,488 | 13,675 | 5,813 |
| Miscellaneous Purchased Services | 11-000-219-592 | 1,000 | (1,000) | - | - | - |
| Supplies and Materials | 11-000-219-600 | 21,400 | - | 21,400 | 18,196 | 3,204 |
| Other Objects | 11-000-219-800 | 2,500 | - | 2,500 | 2,302 | 198 |
| Total Child Study Teams | | 648,796 | 13,399 | 662,195 | 545,835 | 116,360 |
| Improvement of Instructional Services: | | | | | | |
| Salaries of Supervisor of Instruction | 11-000-221-102 | 53,560 | 349 | 53,909 | 53,909 | - |
| Salaries of Other Professional Staff | 11-000-221-104 | 24,000 | - | 24,000 | 23,320 | 680 |
| Salaries of Secretarial & Clerical Assistants | 11-000-221-105 | 35,485 | (9,728) | 25,757 | 17,265 | 8,492 |
| Purchased Professional & Educational Services | 11-000-221-320 | 10,000 | - | 10,000 | 6,330 | 3,670 |
| Other Purchased Professional & Technical Services | 11-000-221-390 | 2,000 | - | 2,000 | 990 | 1,010 |
| Other Purchased Services | 11-000-221-500 | 4,950 | - | 4,950 | 1,324 | 3,626 |
| Supplies and Materials | 11-000-221-600 | 4,000 | - | 4,000 | 2,668 | 1,332 |
| Other Objects | 11-000-221-800 | 1,250 | - | 1,250 | 1,074 | 176 |
| Total Improvement of Instructional Services | | 135,245 | (9,379) | 125,866 | 106,880 | 18,986 |
| Educational Media Services - School Library: | | | | | | |
| Salaries | 11-000-222-100 | 148,254 | 2,165 | 150,419 | 148,300 | 2,119 |
| Other Purchased Professional & Technical Services | 11-000-222-300 | 5,500 | - | 5,500 | 5,070 | 430 |
| Supplies and Materials | 11-000-222-600 | 21,886 | (1,831) | 20,055 | 19,174 | 881 |
| Other Objects | 11-000-222-800 | 100 | - | 100 | - | 100 |
| Total Educational Media Services - School Library | | 175,740 | 334 | 176,074 | 172,544 | 3,530 |
| Instructional Staff Training Services: | | | | | | |
| Salaries of Supervisor of Instruction | 11-000-223-102 | 55,060 | - | 55,060 | 53,910 | 1,150 |
| Salaries of Secretarial & Clerical Assistants | 11-000-223-105 | 10,742 | 9,378 | 20,120 | 16,681 | 3,439 |
| Purchased Professional & Educational Services | 11-000-223-320 | 21,000 | - | 21,000 | 21,000 | - |
| Instructional Staff Training Services: | | | | | | |
| Other Purchased Services | 11-000-223-500 | 7,000 | (120) | 6,880 | 406 | 6,474 |
| Supplies and Materials | 11-000-223-600 | 1,000 | - | 1,000 | 945 | 55 |
| Other Objects | 11-000-223-800 | 100 | - | 100 | 35 | 65 |
| Total Instructional Staff Training Services | | 94,902 | 9,258 | 104,160 | 92,977 | 11,183 |
| General Administration: | | | | | | |
| Salaries | 11-000-230-100 | 224,697 | - | 224,697 | 208,420 | 16,277 |
| Legal Services | 11-000-230-331 | 59,000 | 1,500 | 60,500 | 33,129 | 27,371 |
| Audit Services | 11-000-230-332 | 25,750 | 600 | 26,350 | 26,350 | - |
| Architectural/Engineering Services | 11-000-230-334 | 2,384 | 7,705 | 10,089 | 508 | 9,581 |
| Other Purchased Professional Services | 11-000-230-339 | 3,000 | (1,300) | 1,700 | - | 1,700 |
| Purchased Technical Services | 11-000-230-340 | - | 17,000 | 17,000 | - | 17,000 |
| Communications/Telephone | 11-000-230-530 | 66,701 | (6,515) | 60,186 | 32,326 | 27,860 |
| BOE Other Purchased Services | 11-000-230-585 | 8,000 | - | 8,000 | 3,260 | 4,740 |
| Other Purchased Services | 11-000-230-590 | 20,406 | 2,996 | 23,402 | 21,591 | 1,811 |
| Supplies & Materials | 11-000-230-610 | 5,450 | - | 5,450 | 3,303 | 2,147 |
| BOE In-House Training/Supplies | 11-000-230-630 | 1,525 | - | 1,525 | 532 | 993 |
| Miscellaneous Expenditures | 11-000-230-890 | 2,200 | - | 2,200 | 1,904 | 296 |
| BOE Membership Dues & Fees | 11-000-230-895 | 10,445 | - | 10,445 | 9,089 | 1,356 |
| Total General Administration | | 429,558 | 21,986 | 451,544 | 340,412 | 111,132 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---------------------------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| School Administration: | | | | | | |
| Salaries of Principals/Assistants | | | | | | |
| Principals | 11-000-240-103 | 427,376 | (1,575) | 425,801 | 425,801 | - |
| Salaries of Secretarial & Clerical Assistants | 11-000-240-105 | 251,704 | 16,012 | 267,716 | 266,417 | 1,299 |
| Purchased Professional & Technical Services | 11-000-240-300 | - | 9,000 | 9,000 | 3,630 | 5,370 |
| Other Purchased Services | 11-000-240-500 | 9,000 | (8,385) | 615 | 281 | 334 |
| Supplies & Materials | 11-000-240-600 | 21,430 | 542 | 21,972 | 21,718 | 254 |
| Other Objects | 11-000-240-800 | 4,400 | (870) | 3,530 | 3,530 | - |
| Total School Administration | | 713,910 | 14,724 | 728,634 | 721,377 | 7,257 |
| Central Services: | | | | | | |
| Salaries | 11-000-251-100 | 266,212 | 24,006 | 290,218 | 288,953 | 1,265 |
| Purchased Professional Services | 11-000-251-330 | 9,550 | 745 | 10,295 | 8,840 | 1,455 |
| Miscellaneous Purchased Services | 11-000-251-592 | 13,686 | - | 13,686 | 12,956 | 730 |
| Supplies & Materials | 11-000-251-600 | 9,470 | (116) | 9,354 | 6,972 | 2,382 |
| Miscellaneous Expenditures | 11-000-251-890 | 2,670 | - | 2,670 | 1,394 | 1,276 |
| Total Central Services | | 301,588 | 24,635 | 326,223 | 319,115 | 7,108 |
| Admin Info Technology: | | | | | | |
| Salaries | 11-000-252-100 | 69,516 | 2,725 | 72,241 | 53,929 | 18,312 |
| Purchased Technical Services | 11-000-252-340 | 61,000 | 6,094 | 67,094 | 67,094 | - |
| Supplies & Materials | 11-000-252-600 | 23,900 | 3,804 | 27,704 | 25,997 | 1,707 |
| Total Admin Info Technology | | 154,416 | 12,623 | 167,039 | 147,020 | 20,019 |
| Operation & Maintenance of Plant Services - Employee Benefits: | | | | | | |
| Health Benefits | 11-000-260-270 | 238,440 | (238,440) | - | - | - |
| Total Health Benefits | | 238,440 | (238,440) | - | - | - |
| Operation & Maintenance of Plant Services: | | | | | | |
| Regular Maintenance School Facilities: | | | | | | |
| Cleaning, Repairs & Maintenance Services | 11-000-261-420 | 55,235 | 6,049 | 61,284 | 59,009 | 2,275 |
| Travel | 11-000-261-580 | - | 1,554 | 1,554 | 518 | 1,036 |
| General Supplies | 11-000-261-610 | 71,348 | (10,963) | 60,385 | 57,441 | 2,944 |
| Other Objects | 11-000-261-800 | 3,195 | (654) | 2,541 | 2,541 | - |
| Total Regular Maintenance School Facilities | | 129,778 | (4,014) | 125,764 | 119,509 | 6,255 |
| Custodial Services: | | | | | | |
| Salaries | 11-000-262-100 | 933,575 | (7,624) | 925,951 | 881,172 | 44,779 |
| Salaries of Non-Instructional Aides | 11-000-262-107 | 92,235 | 1,291 | 93,526 | 81,698 | 11,828 |
| Purchased Professional & Technical Services | 11-000-262-300 | 22,400 | 16,609 | 39,009 | 38,217 | 792 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 50,710 | (6,056) | 44,654 | 38,596 | 6,058 |
| Rental of Land & Buildings | 11-000-262-441 | 1,950 | 10,085 | 12,035 | 12,016 | 19 |
| Other Purchased Property Services | 11-000-262-490 | 62,000 | (4,219) | 57,781 | 46,955 | 10,826 |
| Insurance | 11-000-262-520 | 84,563 | (14,000) | 70,563 | 70,128 | 435 |
| Miscellaneous Purchased Services | 11-000-262-590 | 2,200 | (2,200) | - | - | - |
| General Supplies | 11-000-262-610 | 90,636 | (14,366) | 76,270 | 58,363 | 17,907 |
| Energy (Natural Gas) | 11-000-262-621 | 140,000 | (10,000) | 130,000 | 78,435 | 51,565 |
| Energy (Electricity) | 11-000-262-622 | 240,000 | 29,323 | 269,323 | 262,627 | 6,696 |
| Total Custodial Services | | 1,720,269 | (1,157) | 1,719,112 | 1,568,207 | 150,905 |
| Care & Upkeep of Grounds: | | | | | | |
| Cleaning, Repair & Maintenance Service | 11-000-263-420 | 18,275 | (4,000) | 14,275 | 7,019 | 7,256 |
| General Supplies | 11-000-263-610 | 34,600 | (8,752) | 25,848 | 12,656 | 13,192 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|----------------------------------------------------------------|----------------|-----------------|------------------|--------------|------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Total Care & Upkeep of Grounds | | 52,875 | (12,752) | 40,123 | 19,675 | 20,448 |
| Security: | | | | | | |
| Purchased Professional & Technical Services | 11-000-266-300 | 70,000 | (6,050) | 63,950 | 56,581 | 7,369 |
| Security (continued): | | | | | | |
| Cleaning, Repair & Maintenance Service | 11-000-266-420 | 29,916 | (1,664) | 28,252 | 19,294 | 8,958 |
| General Supplies | 11-000-266-610 | 4,850 | 2,226 | 7,076 | 6,477 | 599 |
| Other Objects | 11-000-266-800 | 600 | 414 | 1,014 | 1,014 | - |
| Total Security | | 105,366 | (5,074) | 100,292 | 83,366 | 16,926 |
| Total Operation & Maintenance of Plant Services | | 2,008,288 | (22,997) | 1,985,291 | 1,790,757 | 194,534 |
| Student Transportation Services: | | | | | | |
| Management Fee - ESC & CTSA Transportation Program | 11-000-270-350 | 20,000 | (3,422) | 16,578 | 15,870 | 708 |
| Contracted Services (Between Home & School) - Vendors | 11-000-270-512 | 29,150 | - | 29,150 | 21,495 | 7,655 |
| Contracted Services (Between Home & School) - Joint Agreement | 11-000-270-512 | - | 24,680 | 24,680 | 20,522 | 4,158 |
| Contracted Services (Special Education Students) - ESCs & CTSA | 11-000-270-518 | 300,000 | (3,000) | 297,000 | 292,754 | 4,246 |
| Contracted Services - Aid in Lieu of Payments | 11-000-270-503 | 28,800 | - | 28,800 | 25,990 | 2,810 |
| Total Student Transportation Services | | 377,950 | 18,258 | 396,208 | 376,631 | 19,577 |
| Personal Services - Employee Benefits: | | | | | | |
| Social Security Contributions | 11-000-291-220 | 214,000 | - | 214,000 | 209,530 | 4,470 |
| Other Retirement Contributions - Regular | 11-000-291-241 | 240,847 | (4,400) | 236,447 | 206,152 | 30,295 |
| Unemployment Benefits | 11-000-291-250 | 40,000 | - | 40,000 | - | 40,000 |
| Workman's Compensation | 11-000-291-260 | 135,064 | - | 135,064 | 132,429 | 2,635 |
| Health Benefits | 11-000-291-270 | 2,393,615 | 352,641 | 2,746,256 | 2,363,104 | 383,152 |
| Tuition Reimbursement | 11-000-291-280 | 22,000 | 17,000 | 39,000 | 26,125 | 12,875 |
| Other Employee Benefits | 11-000-291-290 | 180,700 | 29,941 | 210,641 | 170,886 | 39,755 |
| Total Personal Services - Employee Benefits | | 3,226,226 | 395,182 | 3,621,408 | 3,108,226 | 513,182 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 709,459 | (709,459) |
| On-Behalf TPAF Pension Contributions | | - | - | - | 595,821 | (595,821) |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 561,346 | (561,346) |
| Total Nonbudgeted | | - | - | - | 1,866,626 | (1,866,626) |
| Total Undistributed Expenditures | | 10,352,611 | 297,516 | 10,650,127 | 11,348,199 | (698,072) |
| Total Expenditures - Current Expense | | 18,208,137 | 15,491 | 18,223,628 | 18,320,044 | (96,416) |
| Capital Outlay: | | | | | | |
| Interest to Capital Reserve | | 2,000 | - | 2,000 | - | 2,000 |
| Equipment: | | | | | | |
| Regular Programs - Instruction: | | | | | | |
| Grades 1 - 5 | 12-120-100-730 | - | 10,557 | 10,557 | 10,557 | - |
| Grades 6 - 8 | 12-130-100-730 | 4,000 | (1,489) | 2,511 | 2,511 | - |
| Administration Services | 12-000-240-730 | 8,200 | (8,200) | - | - | - |
| Administration Info Tech | 12-000-252-730 | 21,000 | (9,270) | 11,730 | 11,730 | - |
| Maintenance Services | 12-000-261-730 | 23,000 | 117,895 | 140,895 | 115,129 | 25,766 |
| Custodial Services | 12-000-262-730 | 17,050 | (8,714) | 8,336 | 8,336 | - |
| Care & Upkeep of Grounds | 12-000-262-730 | - | 14,549 | 14,549 | 14,549 | - |
| Total Equipment | | 73,250 | 115,328 | 188,578 | 162,812 | 25,766 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBER | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--------------------------------------------------------------|-------------------|--------------------|---------------------|-----------------|--------------|-----------------------------------------------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Facilities Acquisition & Construction Services: | | | | | | |
| Architectural/Engineering Services | 12-000-400-334 | 64,000 | (645) | 63,355 | 22,549 | 40,806 |
| Other Purchased Professional & Technical Services | 12-000-400-390 | - | 4,970 | 4,970 | 4,970 | - |
| Construction Services | 12-000-400-450 | 450,000 | 297,695 | 747,695 | 39,058 | 708,637 |
| Assessment for Debt Service on SDA Funding | 12-000-400-896 | 13,277 | - | 13,277 | 13,277 | - |
| Total Acquisition & Construction Services | | 527,277 | 302,020 | 829,297 | 79,854 | 749,443 |
| Total Capital Outlay | | 602,527 | 417,348 | 1,019,875 | 242,666 | 777,209 |
| Total Expenditures | | 18,810,664 | 432,839 | 19,243,503 | 18,562,710 | 680,793 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | | (1,234,000) | (432,839) | (1,666,839) | 1,477,557 | 3,144,396 |
| Fund Balances, July 1 | | 6,481,259 | - | 6,481,259 | 6,481,259 | - |
| Fund Balances, June 30 | | \$ 5,247,259 | \$ (432,839) | \$ 4,814,420 | \$ 7,958,816 | \$ 3,144,396 |

RECAPITULATION OF BUDGET TRANSFERS

| | |
|-------------------------------------|-------------------|
| Prior Year Reserve for Encumbrances | \$ 432,839 |
| Total Budget Transfers | <u>\$ 432,839</u> |

RECAPITULATION

| | |
|-------------------------------------------------------------------------|---------------------|
| Restricted Fund Balance: | |
| Reserve for Excess Surplus | \$ 825,000 |
| Emergency Reserve | 250,000 |
| Maintenance Reserve | 965,782 |
| Capital Reserve Account | 4,657,173 |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | 720,000 |
| Assigned Fund Balance: | |
| ARRA- Medicaid Reimbursement | 45,368 |
| Year-End Encumbrances | 119,585 |
| Unassigned Fund Balance | <u>375,908</u> |
| Subtotal | 7,958,816 |
| Reconciliation to Governmental Fund Statements (GAAP): | |
| Last State Aid Payment Not Recognized on GAAP Basis | <u>(897,215)</u> |
| Total Fund Balance per Governmental Funds (GAAP) | <u>\$ 7,061,601</u> |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | JUNE 30, 2016 | | | | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|----------------------------------------------------------------------|--------------------|---------------------|------------------|------------------|-----------------------------------------------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| REVENUES: | | | | | |
| Local Sources | \$ - | \$ - | \$ - | \$ 5,143 | \$ 5,143 |
| State Sources | 136,041 | 36,296 | 172,337 | 178,269 | 5,932 |
| Federal Sources | 1,359,428 | - | 1,359,428 | 1,272,542 | (86,886) |
| Total - Revenues | 1,495,469 | 36,296 | 1,531,765 | 1,455,954 | (75,811) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 552,856 | 71,563 | 624,419 | 571,927 | 52,492 |
| Salaries of Aides | 12,199 | - | 12,199 | 12,199 | - |
| Professional Education Services | 68,531 | 2,384 | 70,915 | 55,921 | 14,994 |
| Other Purchased Services | 374,995 | - | 374,995 | 374,995 | - |
| General Supplies | 193,611 | (30,617) | 162,994 | 162,685 | 309 |
| Textbooks | 9,821 | - | 9,821 | 9,821 | - |
| Total Instruction | 1,212,013 | 43,330 | 1,255,343 | 1,187,548 | 67,795 |
| Support Services: | | | | | |
| Other Salaries | 78,455 | (16,351) | 62,104 | 62,104 | - |
| Purchased Technical Services | 52,420 | 6,801 | 59,221 | 59,221 | - |
| Other Employee Benefits | 125,369 | 2,426 | 127,795 | 127,795 | - |
| Other Purchased Services | 16,891 | 90 | 16,981 | 12,406 | 4,575 |
| Supplies & Materials | 10,321 | - | 10,321 | 6,880 | 3,441 |
| Total Support Services | 283,456 | (7,034) | 276,422 | 268,406 | 8,016 |
| Total Expenditures | 1,495,469 | 36,296 | 1,531,765 | 1,455,954 | 75,811 |
| Total Outflows | 1,495,469 | 36,296 | 1,531,765 | 1,455,954 | 75,811 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |

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, 2016**

**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) | \$ 20,040,267 | \$ 1,455,954 |
| 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 | - | 2,783 |
| Current Year | - | (469) |
| Difference - Budget to GAAP: | | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | | |
| | 904,344 | - |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | | |
| | (897,215) | - |
| <hr/> | | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2) | <u>\$ 20,047,396</u> | <u>\$ 1,458,268</u> |
| Uses/Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 18,562,710 | \$ 1,455,954 |
| 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. | | |
| | - | 2,314 |
| <hr/> | | |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2) | <u>\$ 18,562,710</u> | <u>\$ 1,458,268</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 THREE FISCAL YEARS**

| | 2016 | 2015 | 2014 |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 0.022694752% | 0.021475994% | 0.022897104% |
| District's proportionate share of the net pension liability (asset) | \$ 5,094,517 | \$ 4,020,894 | \$ 4,376,091 |
| District's covered-employee payroll | 1,393,484 | 1,529,152 | 1,576,389 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 365.60% | 262.95% | 277.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 47.93% | 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.

EXHIBIT L-2

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

| | 2016 | 2015 | 2014 |
|----------------------------------------------------------------------|--------------|--------------|------------|
| Contractually required contribution | N/A | \$ 195,114 | \$ 172,525 |
| Contributions in relation to the contractually required contribution | - | 195,114 | 172,525 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 1,393,484 | \$ 1,529,152 | **N/A |
| Contributions as a percentage of covered-employee payroll | 0.00% | 12.76% | **N/A |

**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 THREE FISCAL YEARS**

| | 2016 | 2015 | 2014 |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 0.0733667% | 0.0734036% | 0.0786558% |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 46,370,860 | \$ 39,231,814 | \$ 39,752,042 |
| District's covered-employee payroll | 8,091,867 | 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% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 28.71% | 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, 2016

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
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| | NONPUBLIC | | | | CHAPTER 192 |
|------------------------------------------------|-----------|-----------|----------|------------|-------------------------------------------------|
| | TEXTBOOK | NURSING | SECURITY | TECHNOLOGY | AUXILIARY SERVICES COMPENSATION EDUCATION |
| Revenues: | | | | | |
| State Sources | \$ 9,821 | \$ 15,480 | \$ 4,300 | \$ 4,440 | \$ 9,475 |
| Total Revenues | \$ 9,821 | \$ 15,480 | \$ 4,300 | \$ 4,440 | \$ 9,475 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Professional Education Services | \$ - | \$ - | \$ - | \$ - | \$ 9,475 |
| Purchased Professional & Technical Services | - | 15,480 | - | - | - |
| General Supplies | - | - | 4,300 | 4,440 | - |
| Textbooks | 9,821 | - | - | - | - |
| Total Instruction | 9,821 | 15,480 | 4,300 | 4,440 | 9,475 |
| Total Expenditures | \$ 9,821 | \$ 15,480 | \$ 4,300 | \$ 4,440 | \$ 9,475 |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| | CHAPTER 193 HANDICAPPED SERVICES | | | EARLY CHILDHOOD PROGRAM AID |
|---------------------------------|-------------------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| | CORRECTIVE SPEECH | SUPPLEMENTAL INSTRUCTION | EXAMINATION AND CLASSIFICATION | |
| Revenues: | | | | |
| State Sources | \$ 8,528 | \$ 6,758 | \$ 15,680 | 103,787 |
| Total Revenues | \$ 8,528 | \$ 6,758 | \$ 15,680 | \$ 103,787 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ - | \$ - | \$ - | \$ 103,787 |
| Professional Education Services | 8,528 | 6,758 | 15,680 | - |
| Total Instruction | 8,528 | 6,758 | 15,680 | 103,787 |
| Total Expenditures | \$ 8,528 | \$ 6,758 | \$ 15,680 | \$ 103,787 |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| | NO CHILD LEFT BEHIND | | | RACE TO THE TOP- PRESCHOOL | IDEA - B | |
|------------------------------|----------------------|--------------------|---------------------|-------------------------------|--------------------------|------------------------------|
| | TITLE I PART A | TITLE II PART A | TITLE III PART A | | BASIC CURRENT YEAR | PRESCHOOL CURRENT YEAR |
| Revenues: | | | | | | |
| Federal Sources | \$ 504,497 | \$ 115,170 | \$ 19,809 | \$ 244,159 | \$ 378,127 | \$ 10,780 |
| Total Revenues | <u>\$ 504,497</u> | <u>\$ 115,170</u> | <u>\$ 19,809</u> | <u>\$ 244,159</u> | <u>\$ 378,127</u> | <u>\$ 10,780</u> |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | \$ 258,204 | \$ 73,810 | \$ 5,042 | \$ 130,304 | \$ - | \$ - |
| Salaries of Aides | - | - | - | 12,199 | - | - |
| Other Purchased Services | - | - | - | - | 364,215 | 10,780 |
| General Supplies | 99,823 | - | 13,356 | 35,107 | 1,296 | - |
| Total Instruction | <u>358,027</u> | <u>73,810</u> | <u>18,398</u> | <u>177,610</u> | <u>365,511</u> | <u>10,780</u> |
| Support Services: | | | | | | |
| Other Salaries | 19,651 | 4,000 | - | 38,453 | - | - |
| Purchased Technical Services | 33,700 | 7,500 | - | 5,405 | 12,616 | - |
| Other Employee Benefits | 79,135 | 24,558 | 1,411 | 22,691 | - | - |
| Other Purchased Services | 11,228 | 1,178 | - | - | - | - |
| Supplies & Materials | 2,756 | 4,124 | - | - | - | - |
| Total Support Services | <u>146,470</u> | <u>41,360</u> | <u>1,411</u> | <u>66,549</u> | <u>12,616</u> | <u>-</u> |
| Total Expenditures | <u>\$ 504,497</u> | <u>\$ 115,170</u> | <u>\$ 19,809</u> | <u>\$ 244,159</u> | <u>\$ 378,127</u> | <u>\$ 10,780</u> |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| | PROJECT LEAD THE WAY | BASF GRANT | SUSTAINABLE NEW JERSEY | 2016 |
|---------------------------------|----------------------------|---------------|---------------------------|---------------------|
| Revenues: | | | | |
| Local Sources | \$ 1,958 | \$ 805 | \$ 2,380 | \$ 5,143 |
| State Sources | - | - | - | 178,269 |
| Federal Sources | - | - | - | 1,272,542 |
| Total Revenues | \$ 1,958 | \$ 805 | \$ 2,380 | \$ 1,455,954 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ - | \$ - | \$ 780 | \$ 571,927 |
| Salaries of Aides | - | - | - | 12,199 |
| Professional Education Services | - | - | - | 55,921 |
| Other Purchased Services | - | - | - | 374,995 |
| General Supplies | 1,958 | 805 | 1,600 | 162,685 |
| Textbooks | - | - | - | 9,821 |
| Total Instruction | 1,958 | 805 | 2,380 | 1,187,548 |
| Support Services: | | | | |
| Other Salaries | - | - | - | 62,104 |
| Purchased Technical Services | - | - | - | 59,221 |
| Other Employee Benefits | - | - | - | 127,795 |
| Other Purchased Services | - | - | - | 12,406 |
| Supplies & Materials | - | - | - | 6,880 |
| Total Support Services | - | - | - | 268,406 |
| Total Expenditures | \$ 1,958 | \$ 805 | \$ 2,380 | \$ 1,455,954 |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | 2016 | | |
|----------------------|------------|------------|-----------|
| | BUDGETED | ACTUAL | VARIANCE |
| Expenditures: | | | |
| Instruction: | | | |
| Salaries of Teachers | \$ 136,041 | \$ 103,787 | \$ 32,254 |
| Total Instruction | 136,041 | 103,787 | 32,254 |
| Total Expenditures | \$ 136,041 | \$ 103,787 | \$ 32,254 |

CALCULATION OF BUDGET AND CARRYOVER

| | |
|--------------------------------------------------------------------------------|------------|
| Total Revised 2014-2015 Preschool Education Aid Allocation | |
| Add: Actual Preschool Education Aid Carryover (June 30, 2015) | \$ 264,822 |
| Total Preschool Education Aid Funds Available for 2014-2015 Budget | 264,822 |
| Less: 2015-2016 Budgeted Preschool Education Aid (Prior Year Budget Carryover) | (136,041) |
| Available & Unbudgeted Preschool Education Aid Funds June 30, 2016 | 128,781 |
| Add: June 30, 2015 Unexpended Preschool Education Aid | 32,254 |
| Total Actual Preschool Education Aid Carryover | \$ 161,035 |
| 2015-2016 Preschool Education Aid Carryover Budgeted in 2016-2017 | \$ 106,023 |

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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 JUNE 30, 2016**

| PROJECT TITLE/ISSUE | APPROPRIATIONS | EXPENDITURES TO DATE | | CANCELLATION OF SDA GRANT | UNEXPENDED BALANCE JUNE 30, 2016 |
|---------------------------------------------|----------------------|----------------------|---------------------|------------------------------|-------------------------------------------|
| | | PRIOR YEARS | CURRENT YEAR | | |
| Various Capital Improvements: | | | | | |
| Bond Proceeds | \$ 6,939,000 | \$ 1,090,659 | \$ 3,493,294 | \$ - | \$ 2,355,047 |
| Transfer from Capital Reserve | 1,000,317 | 3,507 | 364,609 | - | 632,201 |
| State School Building Aid - (ROD) Grants | 12,540,209 | 1,728,246 | 6,093,598 | 77,367 | 4,640,998 |
| Total | \$ 20,479,526 | \$ 2,822,412 | \$ 9,951,501 | \$ 77,367 | \$ 7,628,246 |

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2016:

| | |
|-------------------------------------------------------------|---------------------|
| Unexpended Project Balances June 30, 2016 | <u>\$ 7,628,246</u> |
| Total Fund Balance (Budgetary Basis) - June 30, 2016 | <u>\$ 7,628,246</u> |
| Less: | |
| Unexpended State Aid - ROD Grants | <u>(4,640,998)</u> |
| Total Fund Balance (GAAP Basis) - June 30, 2016 | <u>\$ 2,987,248</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 JUNE 30, 2016**

| | |
|---------------------------------------------------------------|--------------------------------|
| Revenues & Other Financing Sources: | |
| State Sources - SDA Grant | \$ (77,367) |
| Bond Anticipation Notes - Premium | 7,232 |
| Interest Earnings | <u>14,325</u> |
| Total Revenues | <u>(55,810)</u> |
| Expenditures & Other Financing Uses: | |
| Purchased Professional & Technical Services | 1,095,070 |
| Construction Services | 8,856,431 |
| Transfer to Debt Service | <u>21,557</u> |
| Total Expenditures | <u>9,973,058</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (10,028,868) |
| Fund Balance - Beginning | <u>17,657,114</u> |
| Fund Balance - Ending | <u><u>\$ 7,628,246</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, 2016**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---------------------------------------------------------------|------------------|-----------------|--------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 1,421,025 | \$ (12,389) | \$ 1,408,636 | \$ 1,408,636 |
| Bond Proceeds | 899,663 | - | 899,663 | 899,663 |
| Total Reserve | 2,320,688 | (12,389) | 2,308,299 | 2,308,299 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 247,359 | 101,166 | 348,525 | 442,000 |
| Construction Services | 190,806 | 1,645,474 | 1,836,280 | 1,858,456 |
| Total Expenditures & Other Financing Uses | 438,165 | 1,746,640 | 2,184,805 | 2,300,456 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 1,882,523 | \$ (1,759,029) | \$ 123,494 | \$ 7,843 |

ADDITIONAL PROJECT INFORMATION

| | |
|--------------------------------------------------------------|------------------|
| Project Number | 3430-040-14-1001 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| Bonds Authorized | \$ 899,663 |
| Bonds Issued | \$ 899,663 |
| Original Authorized Cost | \$ 2,320,688 |
| Additional Authorized Cost | \$ (20,232) |
| Revised Authorized Cost | \$ 2,300,456 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -0.87% |
| Percentage Completion | 94.97% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | 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 | 81,900 | - | 81,900 | 81,900 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 238 | 14,266 | 14,504 | 15,000 |
| Construction Services | - | - | - | 66,900 |
| Total Expenditures & Other Financing Uses | 238 | 14,266 | 14,504 | 81,900 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 81,662 | \$ (14,266) | \$ 67,396 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---------------------------------------------------|------------------|
| Project Number | 3430-040-14-1002 |
| Grant Date | 2014-2017 |
| 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 | 17.71% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---------------------------------------------------------------|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 208,192 | \$ (7,473) | \$ 200,719 | \$ 200,719 |
| Bond Proceeds | 131,808 | - | 131,808 | 131,808 |
| Total Reserve | 340,000 | (7,473) | 332,527 | 332,527 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 29,152 | 32,074 | 61,226 | 63,000 |
| Construction Services | 128,576 | 132,031 | 260,607 | 264,795 |
| Total Expenditures & Other Financing Uses | 157,728 | 164,105 | 321,833 | 327,795 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 182,272 | \$ (171,578) | \$ 10,694 | \$ 4,732 |

ADDITIONAL PROJECT INFORMATION

| | |
|--------------------------------------------------------------|------------------|
| Project Number | 3430-040-14-1003 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | 6/18/2014 |
| Bonds Authorized | \$ 131,808 |
| Bonds Issued | \$ 131,808 |
| Original Authorized Cost | \$ 340,000 |
| Additional Authorized Cost | \$ (12,205) |
| Revised Authorized Cost | \$ 327,795 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -3.59% |
| Percentage Completion | 98.18% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---------------------------------------------------------------|------------------|-----------------|------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 265,563 | \$ (17,135) | \$ 248,428 | \$ 248,428 |
| Bond Proceeds | 168,131 | - | 168,131 | 168,131 |
| Total Reserve | 433,694 | (17,135) | 416,559 | 416,559 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 61,446 | 9,385 | 70,831 | 78,403 |
| Construction Services | 158,760 | 168,178 | 326,938 | 327,307 |
| Total Expenditures & Other Financing Uses | 220,206 | 177,563 | 397,769 | 405,710 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 213,488 | \$ (194,698) | \$ 18,790 | \$ 10,849 |

ADDITIONAL PROJECT INFORMATION

| | |
|--------------------------------------------------------------|------------------|
| Project Number | 3430-050-14-1004 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | 6/18/2014 |
| Bonds Authorized | \$ 168,131 |
| Bonds Issued | \$ 168,131 |
| Original Authorized Cost | \$ 433,694 |
| Additional Authorized Cost | \$ (27,984) |
| Revised Authorized Cost | \$ 405,710 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -6.45% |
| Percentage Completion | 98.04% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | 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 | 1,015,148 | - | 1,015,148 | 1,015,148 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 31,367 | 64,547 | 95,914 | 104,767 |
| Construction Services | - | 239,620 | 239,620 | 910,381 |
| Total Expenditures & Other Financing Uses | 31,367 | 304,167 | 335,534 | 1,015,148 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 983,781 | \$ (304,167) | \$ 679,614 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---------------------------------------------------|------------------|
| Project Number | 3430-050-14-1005 |
| Grant Date | 2014-2017 |
| 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 | 33.05% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---------------------------------------------------------------|------------------|-----------------|--------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 3,408,058 | \$ (40,370) | \$ 3,367,688 | \$ 3,367,688 |
| Bond Proceeds | 2,157,672 | - | 2,157,672 | 2,157,672 |
| Total Reserve | 5,565,730 | (40,370) | 5,525,360 | 5,525,360 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 458,114 | 128,954 | 587,068 | 587,315 |
| Construction Services | 1,094,000 | 3,710,815 | 4,804,815 | 4,912,487 |
| Total Expenditures & Other Financing Uses | 1,552,114 | 3,839,769 | 5,391,883 | 5,499,802 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 4,013,616 | \$ (3,880,139) | \$ 133,477 | \$ 25,558 |

ADDITIONAL PROJECT INFORMATION

| | |
|--------------------------------------------------------------|------------------|
| Project Number | 3430-050-14-1006 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| Bonds Authorized | |
| Bonds Issued | |
| Original Authorized Cost | \$ 5,565,730 |
| Additional Authorized Cost | \$ (65,928) |
| Revised Authorized Cost | \$ 5,499,802 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -1.18% |
| Percentage Completion | 98.04% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | 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 |
| | <hr/> | | | |
| Total Reserve | 8,565,872 | - | 8,565,872 | 8,565,872 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 24,870 | 635,959 | 660,829 | 771,952 |
| Construction Services | 5,165 | 2,486,244 | 2,491,409 | 7,793,920 |
| | <hr/> | | | |
| Total Expenditures & Other Financing Uses | 30,035 | 3,122,203 | 3,152,238 | 8,565,872 |
| | <hr/> | | | |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 8,535,837 | \$ (3,122,203) | \$ 5,413,634 | \$ - |
| | <hr/> <hr/> | | | |

ADDITIONAL PROJECT INFORMATION

| | |
|---------------------------------------------------|------------------|
| Project Number | 3430-060-14-1007 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| 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 | 36.80% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | 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 | 1,400,682 | - | 1,400,682 | 1,400,682 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 64,223 | 56,209 | 120,432 | 135,346 |
| Construction Services | 326,142 | 156,091 | 482,233 | 1,265,336 |
| Total Expenditures & Other Financing Uses | 390,365 | 212,300 | 602,665 | 1,400,682 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 1,010,317 | \$ (212,300) | \$ 798,017 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---------------------------------------------------|------------------|
| Project Number | 3430-060-14-1008 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| 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 | 43.03% |
| Original Target Completion Date | 2016-2017 |
| 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, 2016**

| | 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 | 755,812 | - | 755,812 | 755,812 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 2,194 | 52,510 | 54,704 | 61,046 |
| Construction Services | - | 317,978 | 317,978 | 694,766 |
| Total Expenditures & Other Financing Uses | 2,194 | 370,488 | 372,682 | 755,812 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 753,618 | \$ (370,488) | \$ 383,130 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---------------------------------------------------|------------------|
| Project Number | 3430-060-14-1009 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| 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 | 49.31% |
| Original Target Completion Date | 2016-2017 |
| 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
STATEMENT OF NET POSITION
JUNE 30, 2016**

| ASSETS | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|----------------------------------|-----------------------------------------------------------------------------------|
| Current Assets: | |
| Cash | \$ 100,922 |
| Accounts Receivable: | |
| State | 347 |
| Federal | 22,665 |
| Other | 1,228 |
| Inventories | <u>14,498</u> |
| Total Current Assets | <u>139,660</u> |
| Fixed Assets: | |
| Equipment | 331,690 |
| Less: Accumulated Depreciation | <u>(305,743)</u> |
| Total Fixed Assets | <u>25,947</u> |
| Total Assets | <u>165,607</u> |
| LIABILITIES | |
| Unearned Revenue | <u>792</u> |
| Total Liabilities | <u>792</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 25,947 |
| Unrestricted Net Position | <u>138,868</u> |
| Total Net Position | <u><u>\$ 164,815</u></u> |

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|----------------------------------------|-----------------------------------------------------------------------------------|
| Operating Revenues: | |
| Local Sources: | |
| Daily Sales - Reimbursable Programs | \$ 90,526 |
| Daily Sales Non-Reimbursable Programs | 24,762 |
| Special Functions | 9,838 |
| | <hr/> |
| Total Operating Revenues | 125,126 |
| | <hr/> |
| Operating Expenses: | |
| Salaries and Benefits | 191,577 |
| Supplies & Materials | 13,165 |
| Depreciation | 5,062 |
| Management Fee | 16,650 |
| Cost of Sales | 260,029 |
| Direct Services | 5,738 |
| Other | 1,659 |
| | <hr/> |
| Total Operating Expenses | 493,880 |
| | <hr/> |
| Operating Income/(Loss) | (368,754) |
| | <hr/> |
| Nonoperating Revenues/(Expenses): | |
| State Sources: | |
| State School Lunch Program | 5,731 |
| Federal Sources: | |
| National School Lunch Program | 258,382 |
| National School Breakfast Program | 77,305 |
| Special Milk Program | 365 |
| Food Distribution Program | 35,144 |
| Healthy Hungry Kids Act | 6,753 |
| After School Snack | 14,599 |
| Interest Revenue | 183 |
| | <hr/> |
| Total Nonoperating Revenues/(Expenses) | 398,462 |
| | <hr/> |
| Net Income/(Loss) | 29,708 |
| Net Position - July 1 | 135,107 |
| | <hr/> |
| Net Position - June 30 | \$ 164,815 |
| | <hr/> <hr/> |

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Cash Flows From Operating Activities: | |
| Receipts from Customers | \$ 153,376 |
| Payments to Employees for Services | (191,577) |
| Payments to Suppliers for Goods & Services | (298,823) |
| | <hr/> |
| Net Cash Provided/(Used) by Operating Activities | (337,024) |
| | <hr/> |
| Cash Flows From Noncapital Financing Activities: | |
| Cash Received from State & Federal Reimbursements | 359,499 |
| | <hr/> |
| Net Cash Provided/(Used) by Noncapital Financing Activities | 359,499 |
| | <hr/> |
| Cash Flows From Investing Activities: | |
| Interest & Dividends | 183 |
| | <hr/> |
| Net Cash Provided/(Used) by Investing Activities | 183 |
| | <hr/> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 22,658 |
| Cash & Cash Equivalents, July 1 | 78,264 |
| | <hr/> |
| Cash & Cash Equivalents, June 30 | <u>\$ 100,922</u> |

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

| | |
|-------------------------------------------------------------------------------------|---------------------|
| Operating Income/(Loss) | \$ (368,754) |
| Adjustments to Reconcile Operating Income/ (Loss)/to Net Cash Provided/(Used) by | |
| Operating Activities: | |
| Depreciation | 5,062 |
| Food Distribution Program | 35,144 |
| Change in Assets & Liabilities: | |
| (Increase)/Decrease in Receivables | (31) |
| (Increase)/Decrease in Inventories | (1,582) |
| Increase/(Decrease) in Unearned Revenues | (6,863) |
| | <hr/> |
| Total Adjustments | 31,730 |
| | <hr/> |
| Net Cash Provided/(Used) by Operating Activities | <u>\$ (337,024)</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
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

| ASSETS | PRIVATE PURPOSE | | AGENCY | | TOTALS |
|------------------------------------------|---------------------------------------|---------------------|---------|------------|--------|
| | UNEMPLOYMENT COMPENSATION TRUST | STUDENT ACTIVITY | PAYROLL | | |
| Cash & Cash Equivalents | \$ 180,093 | \$ 7,879 | \$ 68 | \$ 188,040 | |
| Total Assets | 180,093 | 7,879 | 68 | 188,040 | |
| LIABILITIES | | | | | |
| Interfund Payable | - | - | 68 | 68 | |
| Due to Student Groups | - | 7,879 | - | 7,879 | |
| Total Liabilities | - | 7,879 | 68 | 7,947 | |
| NET POSITION | | | | | |
| Reserve for Unemployment Compensation | 180,093 | - | - | 180,093 | |
| Total Net Position | \$ 180,093 | \$ - | \$ - | \$ 180,093 | |

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

| | <u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u> |
|-------------------------|------------------------------------------------------------------------|
| ADDITIONS: | |
| Contributions: | |
| Employee Contributions | \$ 17,769 |
| Total Contributions | <u>17,769</u> |
| Investment Earnings: | |
| Interest | <u>299</u> |
| Net Investment Earnings | <u>299</u> |
| Total Additions | <u>18,068</u> |
| DEDUCTIONS: | |
| Unemployment Claims | <u>10,410</u> |
| Total Deductions | <u>10,410</u> |
| Change in Net Position | 7,658 |
| Net Position - July 1 | <u>172,435</u> |
| Net Position - June 30 | <u><u>\$ 180,093</u></u> |

**MOUNT HOLLY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| | BALANCE JULY 1, 2015 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2016 |
|-----------------------|----------------------------|------------------|-----------------------|-----------------------------|
| Holbein School | \$ 8,875 | \$ 12,369 | \$ 13,723 | \$ 7,521 |
| Folwell School | 222 | 136 | - | 358 |
| Total Activity | \$ 9,097 | \$ 12,505 | \$ 13,723 | \$ 7,879 |

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

| ASSETS | BALANCE JULY 1, 2015 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2016 |
|-----------------------------------|----------------------------|----------------------|----------------------|-----------------------------|
| Cash & Cash Equivalents | \$ 30 | \$ 11,793,858 | \$ 11,793,820 | \$ 68 |
| Total Assets | \$ 30 | \$ 11,793,858 | \$ 11,793,820 | \$ 68 |
| LIABILITIES | | | | |
| Payroll Deductions & Withholdings | \$ - | \$ 5,655,287 | \$ 5,655,287 | \$ - |
| Net Payroll | - | 6,138,193 | 6,138,193 | - |
| Interfund Payable | 30 | 378 | 340 | 68 |
| Total Liabilities | \$ 30 | \$ 11,793,858 | \$ 11,793,820 | \$ 68 |

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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, 2016**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES DATE | AMOUNT | INTEREST RATE | BALANCE JULY 1, 2015 | ISSUED | RETIRED | BALANCE JUNE 30, 2016 |
|--------------------------|---------------|-----------------|------------------------|---------|---------------|----------------------|-------------|-------------|-----------------------|
| General Obligation Bonds | 7/1/15 | \$ 6,939,000 | 07/01/2016 | 240,000 | 3.00% | \$ 6,939,000 | \$ - | \$ - | \$ 6,939,000 |
| | | | 07/01/2017 | 255,000 | 3.00% | | | | |
| | | | 07/01/2018 | 275,000 | 3.00% | | | | |
| | | | 07/01/2019 | 285,000 | 3.00% | | | | |
| | | | 07/01/2020 | 300,000 | 3.00% | | | | |
| | | | 07/01/2021 | 305,000 | 3.00% | | | | |
| | | | 07/01/2022 | 315,000 | 3.00% | | | | |
| | | | 07/01/2023 | 330,000 | 3.00% | | | | |
| | | | 07/01/2024 | 340,000 | 3.00% | | | | |
| | | | 07/01/2025 | 355,000 | 3.00% | | | | |
| | | | 07/01/2026 | 370,000 | 3.00% | | | | |
| | | | 07/01/2027 | 390,000 | 3.00% | | | | |
| | | | 07/01/2028 | 415,000 | 3.00% | | | | |
| | | | 07/01/2029 | 430,000 | 3.00% | | | | |
| | | | 07/01/2030 | 450,000 | 3.00% | | | | |
| | | | 07/01/2031 | 460,000 | 3.25% | | | | |
| | | | 07/01/2032 | 470,000 | 3.25% | | | | |
| | | | 07/01/2033 | 475,000 | 3.50% | | | | |
| | | | 07/01/2034 | 479,000 | 3.50% | | | | |
| Total | | | | | | \$ 6,939,000 | \$ - | \$ - | \$ 6,939,000 |

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| SERIES | DATE OF LEASE | TERM OF LEASE | AMOUNT OF ORIGINAL LEASE | | AMOUNT OUTSTANDING JUNE 30, 2015 | ISSUED CURRENT YEAR | RETIRED CURRENT YEAR | AMOUNT OUTSTANDING JUNE 30, 2016 |
|----------------------------------|---------------|---------------|--------------------------|-----------|----------------------------------|---------------------|----------------------|----------------------------------|
| | | | PRINCIPAL | INTEREST | | | | |
| Duplicating Machines: Copiers | 12/15/2013 | 5 Years | \$ 284,171 | \$ 27,709 | \$ 199,818 | \$ - | \$ 55,886 | \$ 143,932 |
| Total | | | | | \$ 199,818 | \$ - | \$ 55,886 | \$ 143,932 |

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | JUNE 30, 2016 | | | | VARIANCE FAVORABLE (UNFAVORABLE) |
|------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|------------------|------------------|----------------------------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 322,898 | \$ - | \$ 322,898 | \$ 322,898 | \$ - |
| Interest | - | - | - | 460 | (460) |
| Total Revenues | 322,898 | - | 322,898 | 323,358 | (460) |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 322,898 | - | 322,898 | 322,898 | - |
| Total Expenditures | 322,898 | - | 322,898 | 322,898 | - |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | - | - | - | 460 | (460) |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfers In | - | - | - | 21,557 | 21,557 |
| Total Other Financing Sources/(Uses) | - | - | - | 21,557 | 21,557 |
| Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses | - | - | - | 22,017 | 22,017 |
| Fund Balances July 1, 2015 | 17,762 | - | 17,762 | 17,762 | - |
| Fund Balances June 30, 2016 | \$ 17,762 | \$ - | \$ 17,762 | \$ 39,779 | \$ 22,017 |

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | OUTSTANDING BALANCE 2015 | DELETIONS | OUTSTANDING BALANCE 2016 |
|----------------------|--------------------------------|-------------|--------------------------------|
| Compensated Absences | \$ 590,005 | \$ (30,591) | \$ 559,414 |
| | | | |

STATISTICAL SECTION (Unaudited)

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FISCAL YEAR ENDING JUNE 30 | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets Restricted: | | | | | | | | | | |
| Special Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (57,423) | \$ (49,654) |
| Capital Projects | 2,987,248 | - | 115,069 | - | - | - | - | - | - | - |
| Debt Service | 39,779 | 17,762 | - | - | - | - | - | - | - | - |
| Other Purposes | 7,417,955 | 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 |
| Unrestricted | (8,404,457) | (4,997,172) | (1,049,410) | (728,261) | (669,401) | (1,290,155) | (1,414,677) | (1,462,995) | (773,568) | (862,564) |
| Total Governmental Activities Net Position | \$ 24,154,083 | \$ 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 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets Unrestricted: | | | | | | | | | | |
| | \$ 25,947 | \$ 31,008 | \$ 42,161 | \$ 53,572 | \$ 77,512 | \$ 42,607 | \$ 21,601 | \$ 26,933 | \$ 32,833 | \$ 39,302 |
| | 138,868 | 104,099 | 117,312 | 114,176 | 100,804 | 87,662 | 59,935 | 19,843 | 8,051 | 5,626 |
| Total Business-Type Activities Net Position | \$ 164,815 | \$ 135,107 | \$ 159,473 | \$ 167,748 | \$ 178,316 | \$ 130,269 | \$ 81,536 | \$ 46,776 | \$ 40,884 | \$ 44,928 |
| Government-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets Restricted: | | | | | | | | | | |
| Special Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (57,423) |
| Capital Projects | 2,987,248 | - | 115,069 | 115,069 | - | - | - | - | - | - |
| Debt Service | 39,779 | 17,762 | - | - | - | - | - | - | - | - |
| Other Purposes | 7,417,955 | 5,620,575 | 5,940,843 | 5,940,843 | 4,973,883 | 3,911,564 | 2,991,983 | 2,452,655 | 2,055,637 | 2,023,676 |
| Unrestricted | (8,265,589) | (4,893,073) | (932,098) | (932,098) | (614,085) | (568,597) | (1,202,493) | (1,354,742) | (1,443,152) | (765,517) |
| Total District Net Position | \$ 24,318,898 | \$ 17,138,987 | \$ 18,726,182 | \$ 18,726,182 | \$ 16,487,574 | \$ 14,596,951 | \$ 13,494,394 | \$ 12,627,698 | \$ 12,593,488 | \$ 13,338,429 |

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|-------------------------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 5,559,807 | \$ 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 |
| Special Education | 2,162,306 | 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 |
| Other Instruction | 506,400 | 439,399 | 447,418 | 450,180 | 426,607 | 415,335 | 482,674 | 496,843 | 475,831 | 467,955 |
| Support Services & Undistributed Costs: | | | | | | | | | | |
| Tuition | 890,496 | 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 |
| Student & Instruction Related Services | 1,989,139 | 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 |
| General Administrative Services | 340,412 | 353,946 | 372,782 | 386,050 | 369,892 | 454,401 | 414,840 | 447,724 | 641,571 | 657,096 |
| School Administrative Services | 721,377 | 693,063 | 687,619 | 590,906 | 555,994 | 710,874 | 707,299 | 669,699 | 735,125 | 756,777 |
| Central Services | 466,135 | 448,173 | 418,467 | - | 320,780 | 324,533 | 264,589 | 569,717 | - | - |
| Plant Operations & Maintenance | 1,922,024 | 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 |
| Pupil Transportation | 376,631 | 339,534 | 325,450 | 413,220 | 379,328 | 336,873 | 504,243 | 269,809 | 429,060 | 514,272 |
| Other Objects | - | - | - | - | - | 10,789 | - | - | - | - |
| Unallocated Benefits | 7,348,324 | 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 |
| Changes in Long-Term Debt | 305,584 | 118,547 | (118,023) | 269,082 | - | - | - | - | - | - |
| Reduction of Capital Leases | - | - | - | (51,116) | - | - | - | - | - | - |
| Unallocated Depreciation | 440,877 | 255,799 | 132,723 | 135,733 | 179,503 | 161,222 | 137,586 | 181,556 | 155,428 | 5,570 |
| Total Governmental Activities Expense | 23,029,512 | 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 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 493,880 | 509,455 | 523,025 | 500,447 | 467,251 | 420,095 | 393,400 | 400,050 | 433,421 | 482,522 |
| Total Business-Type Activities Expense | 493,880 | 509,455 | 523,025 | 500,447 | 467,251 | 420,095 | 393,400 | 400,050 | 433,421 | 482,522 |
| Total District Expenses | \$ 23,523,392 | \$ 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 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Operating Grants & Contributions | \$ 5,560,432 | \$ 4,345,764 | \$ 2,539,068 | \$ 2,812,727 | \$ 1,666,996 | \$ 2,657,941 | \$ 3,087,639 | \$ 2,358,956 | \$ 4,550,216 | \$ 4,726,570 |
| Total Governmental Activities Program Revenues | 5,560,432 | 4,345,764 | 2,539,068 | 2,812,727 | 1,666,996 | 2,657,941 | 3,087,639 | 2,358,956 | 4,550,216 | 4,726,570 |

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 125,126 | 137,893 | 157,605 | 157,605 | 158,248 | 183,601 | 142,273 | 140,705 | 152,114 | 146,384 |
| Operating Grants & Contributions | 398,279 | 347,101 | 338,960 | 338,960 | 302,410 | 279,361 | 285,705 | 265,149 | 252,251 | 256,939 |
| Total Business Type Activities Program Revenues | 523,405 | 484,994 | 496,565 | 496,565 | 460,658 | 462,962 | 427,978 | 405,854 | 404,365 | 403,323 |
| | \$ 6,083,837 | \$ 4,830,758 | \$ 3,035,633 | \$ 3,309,292 | \$ 2,127,654 | \$ 3,120,903 | \$ 3,515,617 | \$ 2,764,810 | \$ 4,954,581 | \$ 5,129,893 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (17,469,080) | \$ 25,524,662 | \$ (15,946,828) | \$ (15,875,495) | \$ (16,612,190) | \$ (16,528,954) | \$ (16,605,547) | \$ (17,787,846) | \$ (15,718,341) | \$ (15,410,789) |
| Business-Type Activities | 29,525 | (24,461) | (26,460) | (3,882) | (6,593) | 42,867 | 34,578 | 5,804 | (29,056) | (79,199) |
| Total Government-Wide Net Expense | \$ (17,439,555) | \$ 25,500,201 | \$ (15,973,288) | \$ (15,879,377) | \$ (16,618,783) | \$ (16,486,087) | \$ (16,570,969) | \$ (17,782,042) | \$ (15,747,397) | \$ (15,489,988) |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | 7,835,278 | 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 |
| Taxes Levied for Debt Service | - | - | - | - | - | - | - | - | - | - |
| Unrestricted Grants & Contributions | 16,480,283 | 12,014,357 | 10,252,864 | 10,125,861 | 10,359,703 | 9,933,649 | 9,808,226 | 10,034,918 | 9,074,503 | 8,635,850 |
| Investment Earnings | 14,785 | 23,608 | 5,800 | 3,585 | 8,938 | 36,787 | 4,924 | 83,683 | 17,089 | 132,678 |
| Miscellaneous Income | 288,937 | 208,059 | 584,675 | 346,868 | 140,832 | 359,592 | 357,576 | 115,065 | 610,877 | 496,322 |
| Disposal of Fixed Assets | - | - | - | - | - | - | (455,618) | (11,542) | - | - |
| Transfers | - | - | - | - | - | - | - | - | (24,036) | (48,000) |
| Total Governmental Activities | 24,619,283 | 19,646,396 | 18,193,711 | 17,776,686 | 17,666,700 | 17,346,917 | 16,604,997 | 17,037,013 | 16,493,322 | 15,775,021 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 183 | 95 | 108 | 106 | 497 | 592 | 182 | 88 | 976 | 768 |
| Adjustment to Fixed Assets | - | - | (6,792) | (6,792) | 54,143 | 5,274 | 16,487,574 | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | 24,036 | 48,000 |
| Total Business-Type Activities | 183 | 95 | 6,029 | (6,686) | 54,640 | 5,866 | 16,487,756 | 88 | 25,012 | 48,768 |
| Total Government-Wide | \$ 24,619,466 | \$ 19,646,491 | \$ 18,199,740 | \$ 17,770,000 | \$ 17,721,340 | \$ 17,352,783 | \$ 33,092,753 | \$ 17,037,101 | \$ 16,518,334 | \$ 15,823,789 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 7,150,203 | (1,067,812) | 2,246,883 | 2,246,883 | 1,901,191 | 1,054,510 | 817,963 | (550) | (750,833) | 774,981 |
| Business-Type Activities | 29,708 | 78,268 | (8,275) | (20,431) | (10,568) | 48,047 | 48,733 | 16,522,334 | 5,892 | (4,044) |
| Total District | \$ 7,179,911 | \$ (989,544) | \$ 2,238,608 | \$ 2,226,452 | \$ 1,890,623 | \$ 1,102,557 | \$ 866,696 | \$ 16,521,784 | \$ (744,941) | \$ 770,937 |

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|----------------------------------------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| General Fund: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital Reserve | \$ 4,657,173 | \$ 3,064,793 | \$ 3,361,643 | \$ 2,686,673 | \$ 2,277,373 | \$ 1,468,436 | \$ 1,175,939 | \$ 921,016 | \$ 715,971 | \$ 548,883 |
| Emergency Reserve | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 200,000 | 100,000 | 100,000 | - |
| Maintenance Reserve | 965,782 | 865,782 | 978,607 | 1,013,607 | 443,607 | 440,924 | 250,000 | 150,000 | 150,000 | - |
| Excess Surplus | 825,000 | 720,000 | 720,000 | 1,576,195 | 519,616 | 420,968 | 411,655 | 407,471 | 344,505 | 713,200 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 720,000 | 720,000 | 630,593 | 503,987 | 420,968 | 411,655 | 407,471 | 344,505 | 713,200 | 365,484 |
| Assigned to: | | | | | | | | | | |
| Other Purposes Designated for Subsequent Year's Expenditures | - | - | - | - | - | - | 7,590 | 132,645 | - | - |
| Unassigned | (356,354) | (43,660) | (439,172) | (1,056,580) | 107,269 | (236,786) | (573,621) | (482,011) | 56,696 | (52,705) |
| Total General Fund | \$ 7,061,601 | \$ 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 |
| All Other Governmental Funds: | | | | | | | | | | |
| Assigned, Reported in: | | | | | | | | | | |
| Special Revenue Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (57,423) | \$ (49,654) |
| Debt Service Fund | 39,779 | 17,762 | - | - | - | - | - | - | - | - |
| Capital Projects Fund | 2,987,248 | 6,845,151 | 115,069 | - | - | - | - | - | - | - |
| Total All Other Governmental Funds | \$ 3,027,027 | \$ 6,862,913 | \$ 115,069 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (57,423) | \$ (49,654) |

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|------------------------------------------------------------------|-----------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Local Tax Levy | \$ 7,835,278 | \$ 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 |
| Tuition Charges | 141,226 | 162,954 | 314,831 | 272,924 | 86,665 | 283,447 | 222,341 | - | 62,987 | 49,097 |
| Interest Earnings | 14,785 | 23,608 | 5,800 | 3,585 | 8,938 | 36,787 | 4,924 | 83,683 | 17,089 | 23,794 |
| Miscellaneous | 140,479 | 45,105 | 269,844 | 73,944 | 54,167 | 76,145 | 135,235 | 115,065 | 547,890 | 556,109 |
| State Sources | 18,438,953 | 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 |
| Federal Sources | 1,366,224 | 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 |
| Total Revenue | 27,936,945 | 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 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 5,559,807 | 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 |
| Special Education Instruction | 2,162,306 | 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 |
| Other Special Instruction | 506,400 | 439,399 | 447,418 | 450,180 | 426,607 | 415,335 | 482,674 | 496,843 | 475,831 | 467,955 |
| Support Services & Undistributed Costs: | | | | | | | | | | |
| Tuition | 890,496 | 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 |
| Student & Instruction Related Services | 1,989,139 | 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 |
| School Administrative Services | 721,377 | 693,063 | 687,619 | 590,906 | 665,447 | 710,874 | 707,299 | 669,699 | 641,571 | 657,096 |
| General Administrative Services | 806,547 | 788,842 | 769,153 | 790,659 | 723,272 | 791,274 | 919,083 | 717,533 | 735,125 | 745,637 |
| Plant Operations & Maintenance | 1,790,757 | 1,762,335 | 1,761,756 | 1,743,398 | 1,412,694 | 1,303,527 | 1,470,316 | 1,884,142 | 1,932,930 | 1,419,890 |
| Pupil Transportation | 376,631 | 339,534 | 325,450 | 317,491 | 302,699 | 407,000 | 404,517 | 382,978 | 429,060 | 514,272 |
| Unallocated Benefits | 4,974,852 | 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 |
| Interest & Other Charges | 322,898 | - | - | - | 195,546 | 326,124 | - | - | - | - |
| Capital Outlay | 10,194,167 | 3,236,240 | 1,737,435 | 1,087,306 | 195,546 | 326,124 | 147,318 | 42,308 | 33,950 | 131,901 |
| Total Expenditures | 30,295,377 | 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 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (2,358,432) | 22,868 | 358,686 | 955,050 | 1,263,636 | 581,383 | 305,408 | (413,304) | 435,653 | 467,136 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Capital Leases | - | - | 284,171 | - | - | 294,780 | - | - | - | - |
| Bond Proceeds | - | 6,800,220 | - | - | - | - | - | - | - | - |
| Transfers In/(Out) | 7,232 | - | - | - | - | - | - | - | (24,036) | (48,000) |
| Total Other Financing Sources/(Uses) | 7,232 | 6,800,220 | 284,171 | - | - | 294,780 | - | - | (24,036) | (48,000) |
| Net Change in Fund Balances | \$ (2,351,200) | \$ 6,823,088 | \$ 642,857 | \$ 955,050 | \$ 1,263,636 | \$ 876,163 | \$ 305,408 | \$ (413,304) | \$ 411,617 | \$ 419,136 |
| 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 |
|-----------------------------------|-------------------------------|--------------------------------|------------|----------------|--------------------------|------------------|-------------------|---------|---------------|------------|
| 2016 | \$ - | \$ - | \$ 141,226 | - | \$ - | - | \$ - | - | \$ 135,336 | \$ 276,562 |
| 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 |

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 |
|-------------------------------------|----------------|----------------|--------------|----------|---------------|--------------|---------------|------------------------------|----------------------------|-----------------------------|---------------------------|------------------------------------------|------------------------------|
| | | | | | | | | | | | | | |
| 2016 | \$ 11,543,000 | \$ 506,972,300 | N/A | \$ 7,100 | \$ 93,068,400 | \$ 8,136,400 | \$ 19,470,000 | 639,197,200 | \$ 5,622,546 | \$ 644,819,746 | \$ 311,568,700 | 1.230 | \$ 595,356,898 |
| 2015 | 11,853,500 | 508,003,300 | N/A | 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 |

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System 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 | |
| 2016 | 1.230 | - | 1.230 | 0.799 | 0.362 | 0.096 | 0.310 | 2.797 |
| 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 |
| 2015 | 2.077 | - | 2.077 | 1.002 | 0.772 | 0.172 | 0.849 | 4.872 |
| 2007 | 1.939 | - | 1.939 | 0.929 | 0.688 | 0.171 | 0.752 | 4.479 |

Source: Municipal Tax Collector

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

| TAXPAYER | 2016 | | |
|---------------------------------|------------------------------|------|-------------------------------------------------|
| | 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 | 2007 | | |
|----------|------------------------------|------|-------------------------------------------------|
| | 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 | |
| 2016 | \$7,835,278 | \$7,835,278 | 100.00% | - |
| 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% | - |

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 | | | |
| 2016 | \$ 6,939,000 | \$ 143,932 | \$ 7,082,932 | N/A | N/A |
| 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 | - | - | - | - | - |

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 | | |
| 2016 | \$ 6,939,000 | \$ - | \$ 6,939,000 | - | - |
| 2015 | 6,939,000 | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2012 | - | - | - | - | - |
| 2011 | - | - | - | - | - |
| 2010 | - | - | - | - | - |
| 2009 | - | - | - | - | - |
| 2008 | - | - | - | - | - |
| 2007 | - | - | - | - | - |

- 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, 2016

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE ^a | SHARE OF OVERLAPPING DEBT |
|-----------------------------------------------------------|---------------------|----------------------------------------------------|---------------------------------------|
| Debt Repaid With Property Taxes: | | | |
| Township of Mount Holly | \$ 17,208,605 | 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> <u>6,939,000</u> |
| Total Direct & Overlapping Debt | | | <u><u>\$28,414,365</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 | | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Debt Limit | \$ 19,514,362 | \$ 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 |
| Total Net Debt Applicable to Limit | 6,939,000 | 6,939,000 | 6,939,000 | - | - | - | - | - | - | - |
| Legal Debt Margin | \$ 12,575,362 | \$ 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 |

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

35.56% 35.44% 36.01%

Legal Debt Margin Calculation for Fiscal Year 2015

| | Equalized Valuation Basis |
|--------------------------------------------------|---------------------------|
| 2015 | \$ 646,720,573 |
| 2014 | 650,202,657 |
| 2013 | 654,512,934 |
| | <u>\$ 1,951,436,164</u> |
| | <u>\$ 650,478,721</u> |
| Average Equalized Valuation of Taxable Property | |
| Debt Limit (3.5% of Average Equalization Value) | \$ 19,514,362 |
| Net Bonded School Debt | <u>6,939,000</u> |
| Legal Debt Margin | <u>\$ 12,575,362</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 |
|------|-------------------------|------------------------------|-----------------------------------------|--------------------------------|
| 2016 | 9,493 | N/A | N/A | 7.0% |
| 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% |

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 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction: | | | | | | | | | | |
| Regular | 54 | 55 | 69 | 66 | 72 | 72 | 76 | 92 | 91 | 95 |
| Special Education | 16 | 20 | 28 | 30 | 27 | 23 | 22 | 19 | 21 | 23 |
| Other Special Education | 11 | 11 | 16 | 15 | 14 | 14 | 14 | 11 | 26 | 30 |
| Other Instruction | 15 | 11 | 11 | 11 | 9 | 9 | 7 | 8 | 15 | 11 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 13 | 9 | 9 | 8 | 8 | 8 | 8 | 5 | 7 | 5 |
| School Administrative Services | 14 | 14 | 13 | 13 | 10 | 11 | 11 | 11 | 11 | 11 |
| General & Business Administrative Services | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Plant Operations & Maintenance | 16 | 13 | 16 | 15 | 14 | 13 | 14 | 15 | 17 | 17 |
| Total | 145 | 139 | 168 | 164 | 160 | 156 | 158 | 167 | 194 | 198 |

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 | | | | |
| 2016 | 987 | \$ 20,101,210 | \$ 20,366 | 11.47% | 98 | 1-10.4 | 1-10.6 | 984 | 934 | -2.19% | 94.92% |
| 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% |

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 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 349 | 354 | 388 | 390 | 407 | 390 | 379 | 296 | 292 | 297 |
| 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 | 325 | 351 | 315 | 328 | 267 | 286 | 308 | 290 | 285 | 291 |
| 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 | 310 | 272 | 317 | 322 | 318 | 317 | 310 | 433 | 425 | 446 |
| 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

| * SCHOOL FACILITIES | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|
| John Brainerd School | \$ 24,565 | \$ 48,390 | \$ 30,115 | \$ 28,231 | \$ 8,281 | \$ 6,475 | \$ 20,210 | \$ 26,077 | \$ 14,784 | \$ 28,343 |
| Gertrude Folwell School | 34,063 | 75,722 | 56,359 | 46,045 | 20,707 | 17,388 | 27,219 | 19,901 | 39,030 | 32,542 |
| Anna Heller School | - | - | - | - | - | - | - | - | 28,504 | 11,547 |
| F.W. Holbein Schools | 60,880 | 62,437 | 63,460 | 47,284 | 89,308 | 29,596 | 55,760 | 59,507 | 22,139 | 32,541 |
| Total School Facilities | \$ 119,508 | \$ 186,549 | \$ 149,934 | \$ 121,560 | \$ 118,296 | \$ 53,459 | \$ 103,189 | \$ 105,485 | \$ 104,457 | \$ 104,973 |
| | | | | | | | | | | \$ 130,250 |

* 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, 2016**

| | 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, 2016, 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 September 16, 2016 .

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

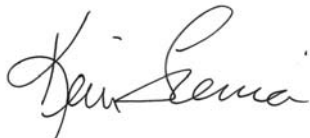
As part of obtaining reasonable assurance about whether Mount Holly School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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, and federal and state awarding agencies and pass-through entities, 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
September 16, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 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 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, 2016. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 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, 2016.

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 the Uniform Guidance and New Jersey OMB's Circular 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large initial "K" and a long horizontal stroke extending to the right.

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

Medford, New Jersey
September 16, 2016

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MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

| FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE | CFDA NUMBER | FEDERAL AWARD IDENTIFICATION NUMBER | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | CASH RECEIVED | BUDGETARY EXPENDITURES | SUB RECIPIENT EXPENDITURES | BALANCE AT JUNE 30, 2016 (ACCOUNTS RECEIVABLE) | DUE TO GRANTOR |
|------------------------------------------------------------------------------------------|----------------|-------------------------------------------|----------------------------------------|-----------------|-----------------|------------------|---------------------------|-------------------------------|------------------------------------------------------|-------------------|
| U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | |
| Noncash Assistance: | | | | | | | | | | |
| Food Distribution Program | 10.565 | 16161NJ304N1099 | N/A | \$ 35,144 | 7/1/15-6/30/16 | \$ 35,144 | \$ (35,144) | \$ - | \$ - | \$ - |
| Cash Assistance: | | | | | | | | | | |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | 258,382 | 7/1/15-6/30/16 | 242,601 | (258,382) | - | (15,781) | - |
| National School Lunch Program | 10.555 | 15151NJ304N1099 | N/A | 235,155 | 7/1/14-6/30/15 | 13,548 | - | - | - | - |
| Healthy Hungry Kids Act | 10.555 | 16161NJ304N1099 | N/A | 6,753 | 7/1/15-6/30/16 | 6,345 | (6,753) | - | (408) | - |
| Healthy Hungry Kids Act | 10.555 | 15151NJ304N1099 | N/A | 6,268 | 7/1/14-6/30/15 | 364 | - | - | - | - |
| Subtotal | | | | | | 262,858 | (265,135) | - | (16,189) | - |
| National Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 77,305 | 7/1/15-6/30/16 | 71,762 | (77,305) | - | (5,543) | - |
| National Breakfast Program | 10.553 | 15151NJ304N1099 | N/A | 69,928 | 7/1/14-6/30/15 | 4,938 | (77,305) | - | (5,543) | - |
| Subtotal | | | | | | 76,700 | (77,305) | - | (5,543) | - |
| Special Milk Program | 10.556 | 16161NJ304N1099 | N/A | 365 | 7/1/15-6/30/16 | 347 | (365) | - | (18) | - |
| Special Milk Program | 10.556 | 15151NJ304N1099 | N/A | 1,127 | 7/1/14-6/30/15 | 60 | - | - | - | - |
| Subtotal | | | | | | 407 | (365) | - | (18) | - |
| After School Snack Program | 10.555 | 16161NJ304N1099 | N/A | 14,599 | 7/1/15-6/30/16 | 13,684 | (14,599) | - | (915) | - |
| Total Child Nutrition Cluster | | | | | | 388,793 | (392,548) | - | (22,665) | - |
| Total U.S. Department of Agriculture | | | | | | 388,793 | (392,548) | - | (22,665) | - |
| U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | |
| Title I - Current Year | 84.010 | S010A150030 | NCLB471015 | 504,497 | 7/1/15-6/30/16 | 358,761 | (475,530) | - | (116,769) | - |
| Title I - Prior Year | 84.010 | S010A140030 | NCLB471014 | 470,126 | 7/1/14-6/30/15 | 90,130 | (28,967) | - | - | - |
| Subtotal | | | | | | 448,891 | (504,497) | - | (116,769) | - |
| Title II - A - Current Year | 84.367A | S367A150029 | NCLB471015 | 117,844 | 7/1/15-6/30/16 | 66,291 | (105,772) | - | (39,481) | - |
| Title II - A - Prior Year | 84.367A | S367A140029 | NCLB471014 | 117,036 | 7/1/14-6/30/15 | 32,061 | (9,398) | - | - | - |
| Subtotal | | | | | | 98,352 | (115,170) | - | (39,481) | - |
| Title III - Current Year | 84.365A | S365A150009 | NCLB471015 | 22,989 | 7/1/15-6/30/16 | 14,844 | (17,783) | - | (2,939) | - |
| Title III - Prior Year | 84.365A | S365A140009 | NCLB471014 | 20,082 | 7/1/14-6/30/15 | 6,588 | (2,026) | - | - | - |
| Subtotal | | | | | | 21,432 | (19,809) | - | (2,939) | - |
| Race To The Top | 84.416B | B413A120008 | N/A | 244,159 | 9/1/13-6/30/14 | 189,527 | (244,159) | - | (54,632) | - |
| Special Education Cluster: | | | | | | | | | | |
| I.D.E.A. Part B, Basic Current Year | 84.027 | H027A150100 | FT-3430-15 | 224,655 | 7/1/15-6/30/16 | 370,667 | (373,899) | - | (3,232) | - |
| I.D.E.A. Part B, Basic Prior Year | 84.027 | H027A140100 | FT-3430-14 | 385,695 | 7/1/14-6/30/15 | 228,883 | (4,228) | - | - | - |
| Subtotal | | | | | | 599,550 | (378,127) | - | (3,232) | - |
| I.D.E.A. B - Preschool - Current Year | 84.173 | H173A150114 | PS-3430-15 | 10,780 | 7/1/15-6/30/16 | 8,593 | (10,780) | - | (2,187) | - |
| Total Special Education Cluster | | | | | | 608,143 | (388,907) | - | (5,419) | - |
| Total Special Revenue Fund | | | | | | 1,366,345 | (1,272,542) | - | (219,240) | - |
| General Fund: | | | | | | | | | | |
| Medical Assistance Program | 93.778 | 1605NJ5MAP | N/A | 93,682 | 7/1/15-6/30/16 | 93,682 | (93,682) | - | - | - |
| Total General Fund | | | | | | 93,682 | (93,682) | - | - | - |
| Total U.S. Department of Education | | | | | | 1,460,027 | (1,366,224) | - | (219,240) | - |
| Total Federal Financial Assistance | | | | | | 1,848,820 | (1,758,772) | - | (241,905) | - |

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

| GRANTOR STATE PROJECT NUMBER | STATE GRANTOR/ PROGRAM TITLE | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2015 | CARRYOVER (WALKOVER) AMOUNT | CASH RECEIVED | BUDGETARY EXPENDITURES | SUB RECIPIENT EXPENDITURES | REPAYMENT OF PRIOR YEARS' BALANCES | BALANCE AT JUNE 30, 2016 | | MEMO | |
|---------------------------------------------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-----------------------------------|-----------------------------------|------------------|---------------------------|-------------------------------|---------------------------------------------|--------------------------|---------------------|-------------------------|-------------------------------------|
| | | | | | | | | | | (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| 495-034-5120-078 | State Aid Cluster | 57,906,220 | 7/1/15-6/30/16 | \$ - | \$ - | 7,096,220 | (7,096,220) | \$ - | \$ - | \$ - | \$ - | 717,056 | 7,096,220 |
| 495-034-5120-048 | Equipment Aid | 1,059,003 | 7/1/15-6/30/16 | - | - | 1,059,003 | (1,059,003) | - | - | - | - | 94,966 | 1,059,003 |
| 495-034-5120-048 | Equipment Aid | 265,020 | 7/1/15-6/30/16 | - | - | 265,020 | (265,020) | - | - | - | - | 23,766 | 265,020 |
| 495-034-5120-089 | Categorical Security Aid | 537,492 | 7/1/15-6/30/16 | - | - | 537,492 | (537,492) | - | - | - | - | 48,199 | 537,492 |
| 495-034-5120-098 | PAPCC Readiness Aid | 9,550 | 7/1/15-6/30/16 | - | - | 9,550 | (9,550) | - | - | - | - | 856 | 9,550 |
| 495-034-5120-097 | Per Pupil Growth Aid | 9,550 | 7/1/15-6/30/16 | - | - | 9,550 | (9,550) | - | - | - | - | 856 | 9,550 |
| Total State Aid Cluster | | | | | | | | | | | | | |
| 495-034-5120-014 | Categorical Transportation Aid | 128,424 | 7/1/15-6/30/16 | - | - | 128,424 | (128,424) | - | - | - | - | 115,516 | 128,424 |
| 16-103190 | Reimbursement of Nonpublic Transportation | 4,872 | 7/1/15-6/30/16 | - | - | - | (4,872) | - | - | - | - | - | 4,872 |
| 15-103190 | Reimbursement of Nonpublic Transportation | 3,480 | 7/1/14-6/30/15 | (3,480) | - | 3,480 | - | - | - | - | - | - | - |
| 100-034-5120-073 | Extracurricular Aid | 49,614 | 7/1/15-6/30/16 | - | - | - | (49,614) | - | - | (49,614) | - | - | 49,614 |
| 100-034-5120-073 | Extracurricular Aid | 34,245 | 7/1/14-6/30/15 | (34,245) | - | 34,245 | - | - | - | - | - | - | - |
| N/A | Homeless Tuition Aid | 231,272 | 7/1/15-6/30/16 | - | - | - | (231,272) | - | - | (231,272) | - | - | 231,272 |
| N/A | Homeless Tuition Aid | 186,718 | 7/1/14-6/30/15 | (186,718) | - | 186,718 | - | - | - | - | - | - | - |
| 100-034-5095-003 | Reimbursed TPAF Social Security Contributions (Nonbudgeted) | 561,346 | 7/1/15-6/30/16 | - | - | 533,047 | (561,346) | - | - | (28,299) | - | - | 561,346 |
| 100-034-5095-003 | Reimbursed TPAF Social Security Contributions (Nonbudgeted) | 542,703 | 7/1/14-6/30/15 | (26,863) | - | 26,863 | - | - | - | - | - | - | - |
| 100-034-5095-001 | On-Behalf Post Retirement Pension Contributions | 595,821 | 7/1/15-6/30/16 | - | - | 595,821 | (595,821) | - | - | - | - | - | 595,821 |
| 100-034-5095-001 | On-Behalf Post Retirement Medical Contributions | 709,459 | 7/1/15-6/30/16 | - | - | 709,459 | (709,459) | - | - | - | - | - | 709,459 |
| Total General Fund | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| 100-034-5120-064 | New Jersey Nonpublic Aid | 10,605 | 7/1/14-6/30/15 | 1 | - | - | - | - | (1) | - | - | - | - |
| 100-034-5120-064 | Textbook Aid | 9,821 | 7/1/15-6/30/16 | - | - | 9,821 | (9,821) | - | - | - | - | - | 9,821 |
| 100-034-5120-070 | Nursing Aid | 15,480 | 7/1/15-6/30/16 | - | - | 15,480 | (15,480) | - | - | - | - | - | 15,480 |
| 100-034-5120-373 | Technology Aid | 4,440 | 7/1/14-6/30/15 | - | - | 4,472 | (4,440) | - | - | - | 32 | - | 4,440 |
| 100-034-5120-373 | Technology Aid | 4,300 | 7/1/15-6/30/16 | - | - | 4,300 | (4,300) | - | - | - | - | - | 4,300 |
| 100-034-5120-509 | Security Aid | 4,300 | 7/1/15-6/30/16 | - | - | 4,300 | (4,300) | - | - | - | - | - | 4,300 |
| 100-034-5120-067 | Adults' Services | 16,075 | 7/1/15-6/30/16 | - | - | 16,075 | (9,475) | - | - | 6,600 | - | - | 9,475 |
| 100-034-5120-067 | Compensatory Education | 16,393 | 7/1/14-6/30/15 | 16,393 | - | - | - | - | (16,393) | - | - | - | - |
| 100-034-5120-067 | Transportation | 473 | 7/1/14-6/30/15 | 473 | - | - | - | - | (473) | - | - | - | - |
| 100-034-5120-067 | Transportation | - | 7/1/15-6/30/16 | - | - | - | - | - | - | - | - | - | - |
| 100-034-5120-066 | Handicapped Services: | 13,151 | 7/1/14-6/30/15 | 6,300 | - | - | - | - | (6,300) | - | - | - | 15,680 |
| 100-034-5120-066 | Examination & Classification | 15,680 | 7/1/14-6/30/16 | - | - | 15,680 | (15,680) | - | - | - | - | - | - |
| 100-034-5120-067 | English as a Second Language | 5,743 | 7/1/14-6/30/15 | 5,743 | - | - | - | - | (5,743) | - | - | - | - |
| 100-034-5120-067 | Corective Speech | 12,541 | 7/1/15-6/30/16 | - | - | 12,541 | (8,528) | - | - | - | 4,013 | - | 8,528 |
| 100-034-5120-066 | Supplemental Instruction | 13,340 | 7/1/14-6/30/15 | 6,278 | - | - | - | - | (6,278) | - | - | - | - |
| 100-034-5120-066 | Supplemental Instruction | 583,288 | 7/1/15-6/30/16 | - | - | 11,139 | (6,758) | - | - | - | 4,381 | - | 6,758 |
| 100-034-5120-025 | Early Childhood Program Aid | - | - | - | 264,822 | - | (103,787) | - | - | - | - | - | 103,787 |
| Total Special Revenue Fund | | | | | | | | | | | | | |
| Capital Projects Fund | | | | | | | | | | | | | |
| G5-5005 | ROD Grant | 1,421,025 | 7/1/13-6/30/17 | (126,099) | - | 984,806 | (1,069,519) | - | - | (210,912) | - | - | 1,069,519 |
| G5-5004 | ROD Grant | 50,150 | 7/1/13-6/30/17 | (146) | - | - | (8,736) | - | - | (8,882) | - | - | 8,736 |
| G5-5005 | ROD Grant | 208,192 | 7/1/13-6/30/17 | (75,022) | - | 169,863 | (100,487) | - | - | (6,386) | - | - | 100,487 |
| G5-5006 | ROD Grant | 265,563 | 7/1/13-6/30/17 | (108,282) | - | 209,451 | (108,227) | - | - | (7,558) | - | - | 108,227 |
| G5-6194 | ROD Grant | 621,605 | 7/1/13-6/30/17 | (19,207) | - | - | (186,250) | - | - | (205,457) | - | - | 186,250 |
| G5-5007 | ROD Grant | 3,008,058 | 7/1/13-6/30/17 | (609,600) | - | 2,858,498 | (2,331,205) | - | - | (102,305) | - | - | 2,331,205 |
| G5-5008 | ROD Grant | 5,285,132 | 7/1/13-6/30/17 | (1,831,617) | - | 524,513 | (1,483,695) | - | - | (1,483,695) | - | - | 1,910,017 |
| G5-5009 | ROD Grant | 1,875,128 | 7/1/13-6/30/17 | (1,124,333) | - | - | (1,124,333) | - | - | - | - | - | 1,124,333 |
| G5-5010 | ROD Grant | 462,866 | 7/1/13-6/30/17 | (1,243) | - | 46,281 | (226,861) | - | - | (181,923) | - | - | 226,861 |
| Total Capital Projects Fund | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| 100-010-3360-067 | State School Lunch Program | 5,492 | 7/1/14-6/30/15 | (468) | - | 468 | - | - | - | - | - | - | - |
| 100-010-3360-067 | State School Lunch Program | 5,731 | 7/1/15-6/30/16 | - | - | 5,384 | (5,731) | - | - | (347) | - | - | 5,731 |
| Total Enterprise Fund | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
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| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
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| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | 7/1/15-6/30/16 | - | - | 1,305,280 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to New Jersey OMB Circular 04-04 | | | | | | | | | | | | | |
| Total State Financial Assistance | | | | | | | | | | | | | |
| Less: Grants Not Subject to New Jersey OMB Circular 04-04: | | | | | | | | | | | | | |
| 100-034-5095-001 | On-Behalf TPAF Contributions | 1,305,280 | | | | | | | | | | | |

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

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. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Mount Holly School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Mount Holly School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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.

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

3. Relationship to Basic Financial Statements (continued):

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 one or more state aid June payments 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 \$7,129 for the general fund and \$2,314 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:

| | State | Federal | Total |
|----------------------------|----------------------|---------------------|----------------------|
| General Fund | \$ 12,164,772 | \$ 93,682 | \$ 12,258,454 |
| Special Revenue Fund | 180,583 | 1,272,542 | 1,453,123 |
| Capital Projects Fund | 6,093,598 | - | 6,093,598 |
| Food Service Fund | 5,731 | 392,548 | 398,279 |
| | | | |
| Total Financial Assistance | <u>\$ 18,444,684</u> | <u>\$ 1,758,772</u> | <u>\$ 20,203,454</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, 2016 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, 2016.

Note 6. Federal and State Loans Outstanding

The Mount Holly School District had no loan balances outstanding at June 30, 2016.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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 2 CFR 200 Section .516(a) of the Uniform Guidance? No

Identification of major programs:

| CFDA Number(s) | FAIN Number(s) | Name of Federal Program or Cluster |
|-----------------|----------------------------|------------------------------------------------------|
| 84.027 & 84.173 | H027A150100 H173A150114 | Special Education Cluster- I.D.E.A Basic & Preschool |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable? | No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|

Identification of major programs:

| GMIS Number(s) | Name of State Program |
|-------------------------|-----------------------|
| G5-5003-5010 G5-6194 | ROD Grants |

| | |
|--------------------------------------------------------------------------|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
|--------------------------------------------------------------------------|-----------|

| | |
|----------------------------------------|-----|
| Auditee qualified as low-risk auditee? | Yes |
|----------------------------------------|-----|

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

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, 2016**

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*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings