

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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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, 2018

Prepared by

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

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INTRODUCTORY SECTION

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Mount Holly Township Public Schools

School Business Office

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February 15, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Mount Holly School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Mount Holly School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Mount Holly School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	1,035	3.29%
2016-2017	1,002	1.83%
2015-2016	984	0.72%
2014-2015	977	-2.79%
2013-2014	1,005	-3.92%
2012-2013	1,046	6.63%
2011-2012	981	-1.21%
2010-2011	993	-0.50%
2009-2010	998	-2.06%
2008-2009	1,019	-2.21%

ECONOMIC CONDITION AND OUTLOOK

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.

MAJOR INITIATIVES

The District is focused on its Strategic Plan to provide an excellent educational experience for every student. The imperative goals include:

- One District One Community. The District is focused on aligning its three schools in spirit (rebranding its logo), curriculum, and instruction.
- College and Career Readiness. The District is focused on implementing high quality Language Arts and Mathematics programs, multiple tiered systems of supports, and ensuring students are immersed in student-driven learning and individual goal setting.
- Learning Environment. The District is focused on establishing a growth mindset and 21st century learning environment.
- Character Education. The District is focused on a positive and respectful school community through Positive Behavior Interventions and Supports.
- Sustainable Practices. The District is focused on health and wellness for students and staff, in addition to positively impacting students' contribution to a sustainable world.

In addition to the strategic plan, the District continues to

- Expand its preschool universe, providing a high quality preschool program for three and four year olds.
- Improve safety and security measures at each school through training, facility upgrades, and technology upgrades.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the

annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District’s accounting system is organized on the basis of funds. The funds are explained in “Notes to Financial Statements”, Note 1.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia & Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



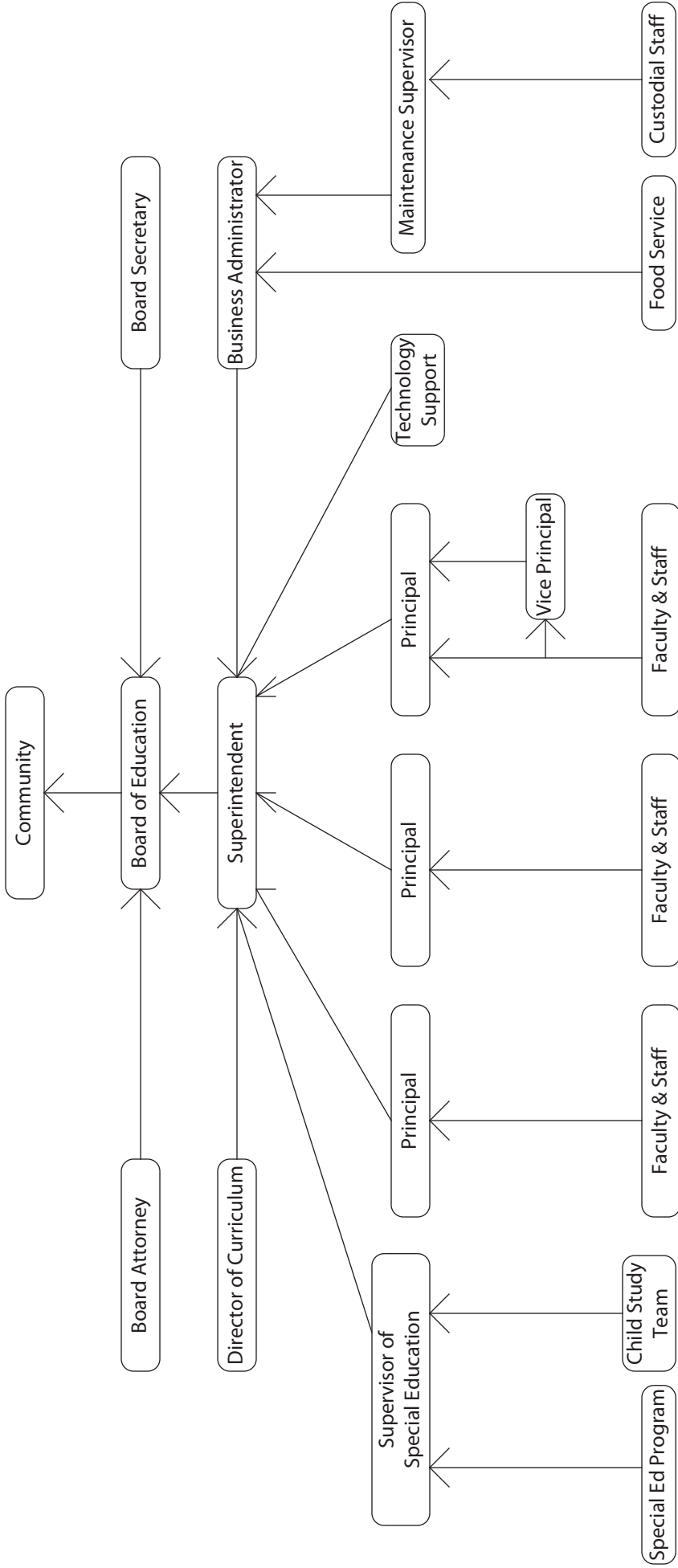
Superintendent


School Business Administrator/Board Secretary

MOUNT HOLLY TOWNSHIP PUBLIC SCHOOLS

Organizational Chart

(Unit Control)



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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2018

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Cynthia Regn, President

2019

Janet DiFolco, Vice President

2019

Jennifer Mushinsky

2020

Jim Logue

2021

William Monk

2020

OTHER OFFICIALS

James E. DiDonato, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Frank Cavallo, Esq., Solicitor

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MOUNT HOLLY SCHOOL DISTRICT

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, 2018, and the related notes to the financial statements, which collectively comprise the School 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions & other post-employment benefits, 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform*

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules 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 February 15, 2019 on our consideration of the 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 the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey
February 15, 2019

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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, 2018
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, 2018. 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 (2017-18) and the prior year (2016-17) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2018 are as follows:

- ⇒ Total assets decreased by \$5,600,033 as cash and cash equivalents decreased by \$3,311,465, receivables decreased by \$1,703,725, net capital assets decreased by \$117,997 and Deferred Outflows Related to Pensions increased by \$465,692.
- ⇒ General Fund revenues accounted for \$21,275,245 in revenue, or 92 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$1,439,164 or 6 percent of all revenues. Capital projects in the form of State grants and interest, accounted for \$24,760 or .11 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$509,623 or 2 percent of all revenues. Total revenues were \$23,248,792.
- ⇒ The School District had \$22,301,678 in total expenditures; \$10,768,601 of which represents salaries for the district or approximately 48% of expenditures for the fiscal year ending June 30, 2018.
- ⇒ The Food Service Enterprise Fund had a decrease in net position of \$73,800 in 2018 compared to an increase of \$21,571 in 2017.
- ⇒ The total Fund Balance per Governmental funds was \$9,504,852. The School District expended \$1,067,000 out of capital reserve and added \$1,745,119 to capital reserve.

Using this Comprehensive Annual Financial Report (CAFR)

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing the level of service that can be provided by the government along with its ability to meet obligations as they become due. In

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

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 2017?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting, takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

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 57 to 93 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 2018 and 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

TABLE I - NET POSITION

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
ASSETS				
Current Assets	\$ 11,015,520	\$ 15,971,893	113,600	173,571
Capital Assets, Net	<u>27,803,175</u>	<u>27,912,467</u>	<u>8,566</u>	<u>17,271</u>
Total Assets	<u>38,818,695</u>	<u>43,884,360</u>	<u>122,166</u>	<u>190,842</u>
Deferred Outflows of Resources	<u>1,410,286</u>	<u>1,875,978</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,228,981</u>	<u>\$ 45,760,338</u>	<u>\$ 122,166</u>	<u>\$ 190,842</u>
LIABILITIES				
Current Liabilities	\$ 2,024,663	\$ 7,729,353	\$ 5,998	\$ 4,456
Noncurrent Liabilities	<u>11,438,355</u>	<u>13,582,818</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>13,463,018</u>	<u>21,312,171</u>	<u>5,998</u>	<u>4,456</u>
Deferred Inflows of Resources	<u>1,445,573</u>	<u>249,841</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,908,591</u>	<u>21,562,012</u>	<u>5,998</u>	<u>4,456</u>
NET POSITION				
Net Investment in Capital Assets	21,956,451	21,755,250	8,566	17,271
Restricted	9,820,758	8,925,931	-	-
Unrestricted	<u>(6,456,819)</u>	<u>(6,482,855)</u>	<u>104,020</u>	<u>169,115</u>
Total Net Position	<u>\$ 25,320,390</u>	<u>\$ 24,198,326</u>	<u>\$ 112,586</u>	<u>\$ 186,386</u>

The District's combined net position was \$25,432,976 on June 30, 2018. This was an increase of 4.30% from the prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Table 2 shows changes in net position for fiscal year 2018 and 2017.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2018	2017	2018	2017
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 130,749	\$ 118,697
Operating Grants & Contributions	8,232,578	5,004,698	433,151	406,867
General Revenues				
Property Taxes	8,474,755	8,126,448	-	-
Grants & Entitlements	12,792,381	14,036,919	-	-
Other	514,457	452,576	1,947	584
Total Revenues	<u>30,014,171</u>	<u>27,620,641</u>	<u>565,847</u>	<u>526,148</u>
Expenses:				
Instruction	8,374,880	8,167,994	-	-
Tuition	1,273,307	1,233,689	-	-
Related Services	2,030,323	2,087,780	-	-
General & School Administrator	1,116,370	1,069,810	-	-
Central Services	502,389	506,466	-	-
Operations & Maintenance	1,951,131	6,229,117	-	-
Transportation	400,482	422,531	-	-
Employee Benefits	12,224,413	6,934,615	-	-
Food Service	-	-	639,647	504,577
Other	1,018,812	924,396	-	-
Total Expenses	<u>28,892,107</u>	<u>27,576,398</u>	<u>639,647</u>	<u>504,577</u>
Increase in Net Position before Transfers	<u>1,122,064</u>	<u>44,243</u>	<u>(73,800)</u>	<u>21,571</u>
Changes in Net Position	<u>1,122,064</u>	<u>44,243</u>	<u>(73,800)</u>	<u>21,571</u>
Net Position- July 1	24,198,326	24,154,083	186,386	164,815
Net Postion- June 30	<u>\$ 25,320,390</u>	<u>\$ 24,198,326</u>	<u>\$ 112,586</u>	<u>\$ 186,386</u>

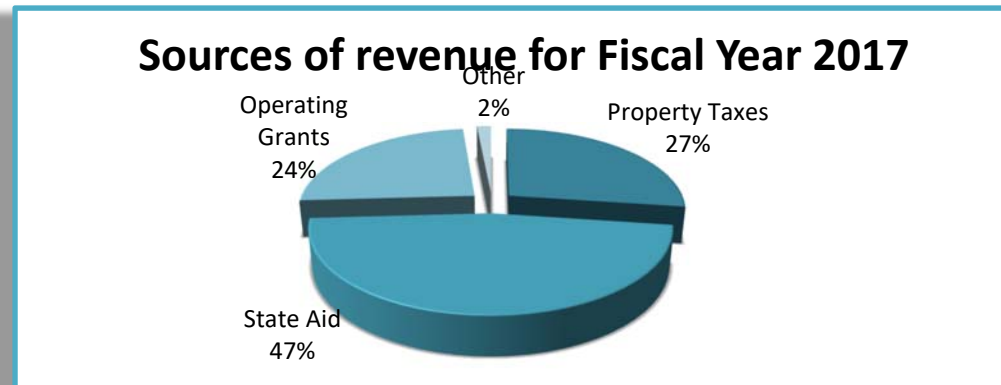
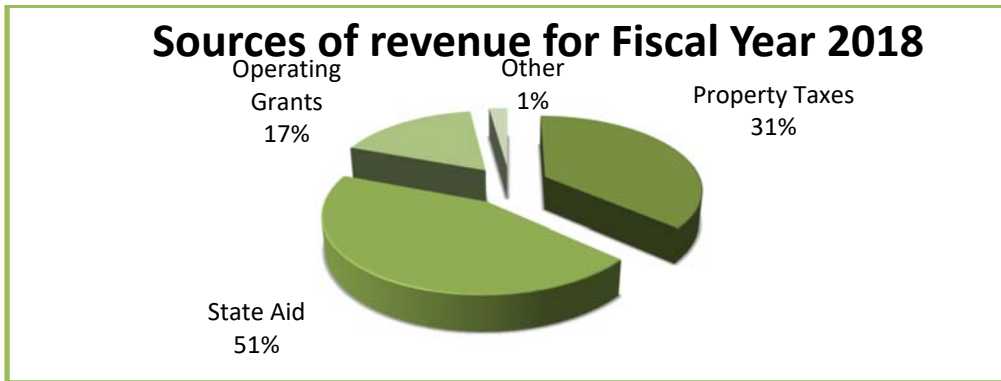
Governmental Activities

Property taxes made up 31% of revenues for fiscal year 2018 and 27% for fiscal year 2017. The District's total revenue for governmental activities was \$30,014,171 for the year ended June 30, 2018. Federal and state aid, accounted for another 68% of revenue.

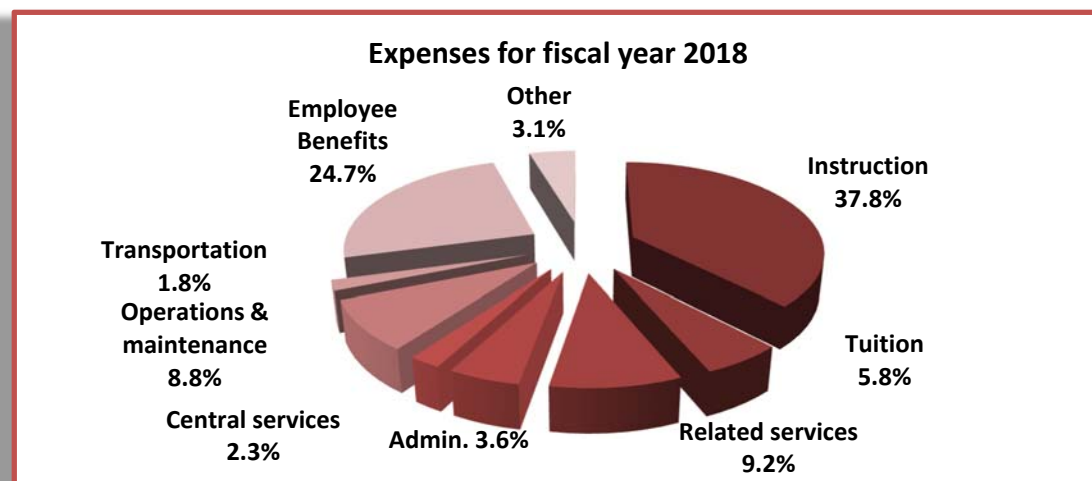
**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Governmental Activities (continued)



The total cost of all programs and services was \$28,892,107. Instruction and benefits comprised 62.5% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Business-Type Activities

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

- Food service expenses exceeded revenues by \$73,800.
- Charges for services represent \$130,749 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 \$433,151.

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 2017	Net Cost of Services Services 2017	Total Cost of Services 2018	Net Cost of Services Services 2018
Instruction	\$ 8,167,994	\$ 8,054,038	\$ 8,374,880	\$ 7,331,608
Support Services:				
Pupils and Instructional Staff	3,321,469	2,974,838	3,303,630	2,907,738
Administration	1,576,276	1,576,276	1,618,759	1,618,759
Operations and Maintenance	6,229,117	6,229,117	1,951,131	1,951,131
Pupil Transportation	422,531	422,531	400,482	400,482
Employee Benefits	9,225,895	3,390,504	12,224,413	5,430,999
Other	924,396	924,396	1,018,812	1,018,812
Total Expenses	\$ 29,867,678	\$ 23,571,700	\$ 28,892,107	\$ 20,659,529

- 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, 2018
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, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,248,792 and expenditures were \$22,301,678 in 2018. The net change in fund balance for the year was most significant in the General Fund – an increase of \$1,005,406. 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:

- ❖ Revenues from tuition exceeded budget by \$201,974.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$148,331 and special education budgeted cost exceeded actual expenses by \$86,477.
- ❖ Budgeted tuition cost exceeded actual by approximately \$42,526. 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, 2018
UNAUDITED (Continued)**

General Fund Budgeting Highlights (continued)

- ❖ Budgeted administrative costs exceeded actual by approximately \$93,535. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$22,923 less than budgeted due to the utilization of purchasing through Co-operatives.
- ❖ Overall the budget projected a use of \$975,000 in fund balance where there was an actual addition to fund balance of \$1,006,936.

Capital Assets

At the end of the fiscal year 2018, the School District had \$27,811,741 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 5 shows fiscal year 2018 balances compared to 2017.

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

	2017	2018
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Building & Improvements	22,809,763	23,362,735
Equipment	3,457,887	3,502,793
Less: Accumulated Depreciation	<u>(8,141,683)</u>	<u>(8,848,853)</u>
Governmental Activities- Capital Assets, net	<u>27,912,467</u>	<u>27,803,175</u>
Business-Type Activities		
Food Service Equipment	285,867	301,330
Less: Accumulated Depreciation	<u>(268,596)</u>	<u>(292,764)</u>
Business-Type Activities- Capital Assets, net	<u>17,271</u>	<u>8,566</u>
Total Capital Assets, net	<u>\$ 27,929,738</u>	<u>\$ 27,811,741</u>

Overall capital assets decreased \$117,997 from fiscal year 2017 to fiscal year 2018. The decrease in capital assets is caused by increase in depreciation for 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, 2018
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 District is focused on its Strategic Plan to provide an excellent educational experience for every student. The imperative goals include:
 - One District One Community. The District is focused on aligning its three schools in spirit (rebranding its logo), curriculum, and instruction.
 - College and Career Readiness. The District is focused on implementing high quality Language Arts and Mathematics programs, multiple tiered systems of supports, and ensuring students are immersed in student-driven learning and individual goal setting.
 - Learning Environment. The District is focused on establishing a growth mindset and 21st century learning environment.
 - Character Education. The District is focused on a positive and respectful school community through Positive Behavior Interventions and Supports.
 - Sustainable Practices. The District is focused on health and wellness for students and staff, in addition to positively impacting students' contribution to a sustainable world.
 - For more information on Mount Holly Township Public School's strategic plan please visit our website <https://www.mtholly.k12.nj.us/Page/28>
- ✍ In addition to the strategic plan, the District continues to expand its preschool universe, providing a high quality preschool program for three and four year olds.
- ✍ Improve safety and security measures at each school through training, facility upgrades, and technology upgrades.
- ✍ It is important that the District continues to support expenditures for capital maintenance of our schools. New security cameras, P.A. System upgrades and building renovation projects are needed and planned for upcoming years.
- ✍ 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, 2018

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,406,040	\$ 187,723	\$ 3,593,763
Receivables, Net (Note 4)	410,671	32,763	443,434
Internal Balances	122,299	(122,299)	-
Inventory	-	15,413	15,413
Restricted Cash & Cash Equivalents	7,076,510	-	7,076,510
Capital Assets, Net (Note 5)			
Non-depreciable	9,786,500	-	9,786,500
Depreciable	18,016,675	8,566	18,025,241
Total Assets	38,818,695	122,166	38,940,861
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,410,286	-	1,410,286
Total Deferred Outflow of Resources	1,410,286	-	1,410,286
Total Assets and Deferred Outflow of Resources	40,228,981	122,166	40,351,147
LIABILITIES			
Accounts Payable	311,079	5,998	317,077
Due to Other Governments	236,204	-	236,204
Unearned Revenue	166,650	3,582	170,232
Bond Anticipation Note Payable	1,000,000	-	1,000,000
Noncurrent Liabilities (Note 7):			
Due Within One Year	300,730	-	300,730
Due in more than one year	11,448,355	-	11,448,355
Total Liabilities	13,463,018	9,580	13,472,598
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,445,573	-	1,445,573
Total Deferred Inflow of Resources	1,445,573	-	1,445,573
Total Liabilities and Deferred Inflow of Resources	14,908,591	9,580	14,918,171
NET POSITION			
Net Investment in Capital Assets	21,956,451	8,566	21,965,017
Restricted For:			
Capital Projects	623,006	-	623,006
Debt Service	46,242	-	46,242
Other Purposes	9,151,510	-	9,151,510
Unrestricted (Deficit)	(6,456,819)	104,020	(6,352,799)
Total Net Position	\$ 25,320,390	\$ 112,586	\$ 25,432,976

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, 2018**

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	\$ 5,809,949	\$ -	\$ 1,043,272	\$ (4,766,677)	\$ -	\$ (4,766,677)
Special Education	2,115,466	-	-	(2,115,466)	-	(2,115,466)
Other Instruction	449,465	-	-	(449,465)	-	(449,465)
Support Services & Undistributed Costs:						
Tuition	1,273,307	-	-	(1,273,307)	-	(1,273,307)
Student & Instruction Related Services	2,030,323	-	395,892	(1,634,431)	-	(1,634,431)
General Administrative Services	413,852	-	-	(413,852)	-	(413,852)
School Administrative Services	702,518	-	-	(702,518)	-	(702,518)
Central Services	502,389	-	-	(502,389)	-	(502,389)
Plant Operations & Maintenance	1,951,131	-	-	(1,951,131)	-	(1,951,131)
Pupil Transportation	400,482	-	-	(400,482)	-	(400,482)
Unallocated Employee Benefits	8,090,833	-	2,659,834	(5,430,999)	-	(5,430,999)
On Behalf TPAF Pension and Social Security Contributions	4,133,580	-	4,133,580	-	-	-
Interest & Other Changes in Long-Term Debt	311,642	-	-	(311,642)	-	(311,642)
Unallocated Depreciation & Amortization	707,170	-	-	(707,170)	-	(707,170)
Total Governmental Activities	28,892,107	-	8,232,578	(20,659,529)	-	(20,659,529)
Business-Type Activities:						
Food Service	639,647	130,749	433,151	-	(75,747)	(75,747)
Total Business-Type Activities	639,647	130,749	433,151	-	(75,747)	(75,747)
Total Primary Government	\$ 29,531,754	\$ 130,749	\$ 8,665,729	(20,659,529)	(75,747)	(20,735,276)

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, 2018**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	8,474,755	-	8,474,755
Federal & State Aid Not Restricted	12,792,381	-	12,792,381
Tuition	204,659	-	204,659
Investment Earnings	22,192	1,947	24,139
Miscellaneous Income	287,606	-	287,606
Total General Revenues, Special Items, Extraordinary Items & Transfers	21,781,593	1,947	21,783,540
Change In Net Position	1,122,064	(73,800)	1,048,264
Net Position - Beginning	24,198,326	186,386	24,384,712
Net Position - Ending	25,320,390	\$ 112,586	\$ 25,432,976

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

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B. Fund Financial Statements

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Governmental Funds

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**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 1,109,280	\$ 304,615	\$ 1,623,006	\$ 369,139	\$ 3,406,040
Receivables, Net:					
Other Receivable	100,537	-	-	-	100,537
Due from Other Governments:					
State	225,909	-	-	-	225,909
Federal	-	84,121	-	-	84,121
Interfund Receivable	445,300	-	-	-	445,300
Restricted Cash & Cash Equivalents	7,076,510	-	-	-	7,076,510
Total Assets	\$ 8,957,536	\$ 388,736	\$ 1,623,006	\$ 369,139	\$ 11,338,417
LIABILITIES & FUND BALANCES					
Liabilities:					
Interfund Payable	\$ -	\$ -	\$ -	\$ 322,897	\$ 322,897
Bond Anticipation Notes Payable	-	-	1,000,000	-	1,000,000
Accounts Payable	121,932	189,147	-	-	311,079
Due to Other Governments	-	32,939	-	-	32,939
Unearned Revenue	-	166,650	-	-	166,650
Total Liabilities	121,932	388,736	1,000,000	322,897	1,833,565
Fund Balances:					
Restricted for:					
Excess Surplus	1,100,000	-	-	-	1,100,000
Capital Reserve Account	5,860,728	-	-	-	5,860,728
Emergency Reserve	250,000	-	-	-	250,000
Maintenance Reserve	965,782	-	-	-	965,782
Excess Surplus - Designated for Subsequent Year's Expenditures	975,000	-	-	-	975,000
Committed for:					
Capital Projects	-	-	623,006	-	623,006
Assigned to:					
Debt Service Fund	-	-	-	46,242	46,242
Unassigned:					
General Fund	(315,906)	-	-	-	(315,906)
Total Fund Balances	8,835,604	-	623,006	46,242	9,504,852
Total Liabilities & Fund Balances	\$ 8,957,536	\$ 388,736	\$ 1,623,006	\$ 369,139	

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 \$36,652,028 and the accumulated depreciation is \$8,848,853. 27,803,175

PERS pension payable is not recorded in the fund financial statements due to the fact that the payable is not due in the current period. (203,265)

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. (35,287)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7) (11,749,085)

Net Position of Governmental Activities \$ 25,320,390

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,969,134	\$ -	\$ -	\$ 505,621	\$ 8,474,755
Tuition Charges	204,659	-	-	-	204,659
Interest Earned	-	-	18,190	4,002	22,192
Miscellaneous	275,822	11,784	-	-	287,606
Total Local Sources	8,449,615	11,784	18,190	509,623	8,989,212
State Sources	12,753,271	76,136	6,570	-	12,835,977
Federal Sources	72,359	1,351,244	-	-	1,423,603
Total Revenues	21,275,245	1,439,164	24,760	509,623	23,248,792
Expenditures:					
Instruction:					
Regular	\$ 4,766,677	\$ 1,043,272	\$ -	\$ -	\$ 5,809,949
Special Education	2,115,466	-	-	-	2,115,466
Other Instruction	449,465	-	-	-	449,465
Support Services & Undistributed Costs:					
Tuition	1,273,307	-	-	-	1,273,307
Student & Instruction Related Services	1,634,431	395,892	-	-	2,030,323
General Administrative Services	413,852	-	-	-	413,852
School Administrative Services	702,518	-	-	-	702,518
Central Services	502,389	-	-	-	502,389
Plant Operations & Maintenance	1,747,414	-	-	-	1,747,414
Pupil Transportation	400,482	-	-	-	400,482
Unallocated Employee Benefits	5,400,043	-	-	-	5,400,043
Debt Service:					
Principal	-	-	-	255,000	255,000
Interest & Other Charges	-	-	-	326,400	326,400
Capital Outlay	864,340	-	10,730	-	875,070
Total Expenditures	20,270,384	1,439,164	10,730	581,400	22,301,678
Other Financing Sources\ (Uses):					
Transfer (In)/(Out)	545	-	(18,735)	18,190	-
Total Other Financing Sources\ (Uses)	545	-	(18,735)	18,190	-
Net Change in Fund Balances	1,005,406	-	(4,705)	(53,587)	947,114
Fund Balance - July 1	7,830,198	-	627,711	99,829	8,557,738
Fund Balance - June 30	\$ 8,835,604	\$ -	\$ 623,006	\$ 46,242	\$ 9,504,852

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, 2018**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 947,114

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	\$ (707,170)	
Capital Outlay	597,878	(109,292)

Repayment of bond 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.

255,000

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

60,198

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.

(58,991)

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

Current Year	(553,910)	
Prior Year	581,945	28,035

Change in Net Position of Governmental Activities \$ 1,122,064

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Proprietary Funds

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**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Current Assets:	
Cash	\$ 187,723
Intergovernmental Accounts Receivables	31,937
Accounts Receivables - Other	826
Inventories	<u>15,413</u>
Total Current Assets	<u>235,899</u>
Fixed Assets:	
Equipment	301,330
Less: Accumulated Depreciation	<u>(292,764)</u>
Total Fixed Assets	<u>8,566</u>
Total Assets	<u>244,465</u>
LIABILITIES	
Accounts Payable	5,998
Interfund Payable	122,299
Unearned Revenue	<u>3,582</u>
Total Liabilities	<u>131,879</u>
NET POSITION	
Net Investment in Capital Assets	8,566
Unrestricted Net Position	<u>104,020</u>
Total Net Position	<u><u>\$ 112,586</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, 2018**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
		<u>FOOD SERVICE FUND</u>
Operating Revenues:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$	105,850
Daily Sales Non-Reimbursable Programs		21,911
Special Functions		2,988
		<u>130,749</u>
 Total Operating Revenues		 <u>130,749</u>
 Operating Expenses:		
Cost of Sales- Reimbursable Programs		237,115
Cost of Sales- Non-Reimbursable Programs		13,913
Salaries and Benefits		302,355
Supplies & Materials		17,214
Depreciation		8,704
Management Fee		16,980
Indirect Costs		34,273
Direct Services		9,093
		<u>639,647</u>
 Total Operating Expenses		 <u>639,647</u>
 Operating Income/(Loss)		 <u>(508,898)</u>
 Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program		6,301
Federal Sources:		
National School Lunch Program		281,672
National School Breakfast Program		79,842
Special Milk Program		45
Food Distribution Program		33,571
Healthy Hungry Kids Act		7,049
After School Snack		24,671
Interest Revenue		1,947
		<u>435,098</u>
 Total Nonoperating Revenues/(Expenses)		 <u>435,098</u>
 Net Income/(Loss)		 <u>(73,800)</u>
Net Position - July 1		<u>186,386</u>
 Net Position - June 30	\$	 <u><u>112,586</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, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 163,273
Payments to Employees	(302,355)
Payments to Suppliers	(199,137)
	(338,219)
Net Cash Provided/(Used) by Operating Activities	(338,219)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	444,720
	444,720
Net Cash Provided/(Used) by Noncapital Financing Activities	444,720
Cash Flows From Investing Activities:	
Interest & Dividends	1,947
	1,947
Net Cash Provided/(Used) by Investing Activities	1,947
Net Increase/(Decrease) in Cash & Cash Equivalents	108,448
Balances - Beginning of Year	79,275
	187,723
Balances - End of Year	\$ 187,723
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (508,898)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	8,704
Food Distribution Program	33,571
(Increase)/Decrease in Receivables	(173)
(Increase)/Decrease in Inventories	1,154
Increase/(Decrease) in Accounts Payable	5,998
Increase/(Decrease) in Interfund Payable	122,299
Increase/(Decrease) in Unearned Revenues	(874)
	170,679
Total Adjustments	170,679
Net Cash Provided/(Used) by Operating Activities	\$ (338,219)

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, 2018**

ASSETS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>	AGENCY FUND	<u>TOTALS JUNE 30, 2018</u>
Cash & Cash Equivalents	\$ 192,041	\$ 4,649	\$ 196,690
Total Assets	<u>192,041</u>	<u>4,649</u>	<u>196,690</u>
LIABILITIES			
Interfund Payable	-	104	104
Account Payable	366	-	366
Due to Student Groups	-	4,545	4,545
Total Liabilities	<u>366</u>	<u>4,649</u>	<u>5,015</u>
NET POSITION			
Reserve for Unemployment Compensation	<u>191,675</u>	-	<u>191,675</u>
Total Net Position	<u>\$ 191,675</u>	<u>\$ -</u>	<u>\$ 191,675</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, 2018**

	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 23,332
Total Contributions	<u>23,332</u>
Investment Earnings:	
Interest	<u>2,092</u>
Net Investment Earnings	<u>2,092</u>
Total Additions	<u>25,424</u>
DEDUCTIONS:	
Unemployment Claims	<u>15,245</u>
Total Deductions	<u>15,245</u>
Change in Net Position	10,179
Net Position - July 1	<u>181,496</u>
Net Position - June 30	<u><u>\$ 191,675</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, 2018**

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MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Mount Holly School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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, 2018 of 1,038 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2018.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Proprietary Fund Financial Statements

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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 non-instructional 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

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

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

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

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

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

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

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,

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2018 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

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

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.

Interfund Receivables/Payables

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:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 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.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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),

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

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

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, 2018.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

- Net Investment in Capital Assets – This 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

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.

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.

Recently Issued Accounting Pronouncements

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

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

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

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School 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.

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 2. Deposits and Investments

Deposits

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, N.J.S.A. 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 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 fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the School District’s bank balance of \$11,349,396 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	11,129,235
Uninsured and Uncollateralized		220,161
		\$ 11,349,396

Investments

The School District had no investments at June 30, 2018.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate 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 *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 July 1, 2017 to June 30, 2018 fiscal year is as follows:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2017	\$	5,182,609
Increased by:		
Deposits approved by Board		1,745,119
		6,927,728
Decreased by:		
Budget Withdrawals		(1,067,000)
Ending Balance, June 30, 2018	\$	5,860,728

The June 30, 2018 LRF balance of local support costs of uncompleted capital projects at June 30, 2018 is \$21,236,439. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District’s Long Rang Facilities Plan.

Maintenance Reserve

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 was no activity in the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year. The balance of the maintenance reserve at June 30, 2018 is \$965,782.

Emergency Reserve

An emergency reserve account was established by inclusion of \$250,000 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.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

There was no activity in the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year. The balance of the emergency reserve at June 30, 2018 is \$250,000.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Food Service Fund</u>		
Federal Awards	\$ -	\$ 84,121	\$ -	\$ 84,121	\$ 31,436		\$ 31,436
State Awards	226,013	-	-	226,013	501		501
Other	100,537	-	-	100,537	826		826
Total	\$ 326,550	\$ 84,121	\$ -	\$ 410,671	\$ 32,763		\$ 32,763

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Adjustments</u>	<u>Balance June 30, 2018</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,786,500	\$ -	\$ -	\$ -	\$ 9,786,500
Total Capital Assets not being depreciated	9,786,500	-	-	-	9,786,500
Capital Assets being depreciated:					
Building Improvements	22,809,763	568,435	(15,463)	-	23,362,735
Equipment	3,457,887	44,906	-	-	3,502,793
Total Capital Assets being depreciated	26,267,650	613,341	(15,463)	-	26,865,528
Less: Accumulated Depreciation:					
Building Improvements	(5,550,734)	(552,586)	-	-	(6,103,320)
Equipment	(2,590,949)	(167,756)	13,172	-	(2,745,533)
Total Accumulated Depreciation	(8,141,683)	(720,342)	13,172	-	(8,848,853)
Total Capital Assets being depreciated, net	18,125,967	(107,001)	(2,291)	-	18,016,675
Total Governmental Activities Capital Assets, net	\$ 27,912,467	\$ (107,001)	\$ (2,291)	\$ -	\$ 27,803,175

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2018</u>
Business-Type Activities:				
Equipment	\$ 301,330	\$ -	\$ -	\$ 301,330
	<u>301,330</u>	<u>-</u>	<u>-</u>	<u>301,330</u>
 Less: Accumulated Depreciation:				
Equipment	(284,059)	(8,705)	-	(292,764)
	<u>(284,059)</u>	<u>(8,705)</u>	<u>-</u>	<u>(292,764)</u>
 Total Business-Type Activities Capital Assets, net	 \$ 17,271	 \$ (8,705)	 \$ -	 \$ 8,566

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 445,300	\$ -
Debt Service Fund	-	322,897
Food Service Fund	-	122,299
Payroll Fund	-	104
	<u>\$ 445,300</u>	<u>\$ 445,300</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year. A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 122,227
Food Service Fund	122,227	-
	<u>\$ 122,227</u>	<u>\$ 122,227</u>

The purpose of the interfund transfers were for short term borrowing.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2017	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2018	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 6,699,000	\$ -	\$ 255,000	\$ 6,444,000	\$ 275,000
Capital Leases	85,928	-	60,198	25,730	25,730
Compensated Absences	581,945	-	28,035	553,910	-
Net Pension Liability	5,631,143	-	905,698	4,725,445	-
	<u>\$ 12,998,016</u>	<u>\$ -</u>	<u>\$ 1,248,931</u>	<u>\$ 11,749,085</u>	<u>\$ 300,730</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

In July 2015, the School District issued \$6,939,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 3.50% and mature on July 1, 2034.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 275,000	\$ 196,240	\$ 471,240
2020	285,000	187,890	472,890
2021	300,000	179,115	479,115
2022	305,000	165,040	470,040
2023	315,000	119,715	434,715
2024-2028	1,785,000	588,458	2,373,458
2029-2033	2,225,000	438,959	2,663,959
2034-2035	954,000	50,156	1,004,156
	<u>\$ 6,444,000</u>	<u>\$ 1,925,573</u>	<u>\$ 8,369,573</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 7. Long-Term Obligations (continued):

Capital Lease Payable

In December 2013, the School District entered into a lease purchase agreement for \$284,171. The lease obligation was issued with variable interest rates and matures in December 2018.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 25,730	\$ 260	\$ 25,990
	<u>\$ 25,730</u>	<u>\$ 260</u>	<u>\$ 25,990</u>

Bond Anticipation Note Payable

On June 30, 2018, the School District had the following outstanding bond anticipation notes:

<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2018</u>
7/19/18	1.64%	\$ 1,000,000

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (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.

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 2017, 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2018, the School District reported a liability of \$4,725,445 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. 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 July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .020299%, which was a decrease of .001752% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$247,635 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 111,268	\$ -
Changes of Assumptions	952,014	948,524
Net Difference between Projected and Actual Earnings on Pension Plan Investments	32,177	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	111,562	497,049
School District contributions subsequent to measurement date	203,265	-
	\$ 1,410,286	\$ 1,445,573

\$203,265 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Client Year Ending	Amount
<u>June 30,</u>	
2019	\$ 48,410
2020	108,313
2021	47,240
2022	(301,293)
2023	(141,222)
	\$ (238,552)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued):

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

percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School 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 or 1-percentage point higher than the current rate:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 5,862,235	\$ 4,725,445	\$ 3,778,358

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

Collective Balances at June 30, 2018 and June 30, 2017

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,207,021	\$ 1,875,978
Deferred Inflows of Resources	1,445,573	249,841
Net Pension Liability	4,725,445	6,531,143
District's portion of the Plan's total net pension Liability	0.02030%	0.02205%

B. Teachers' Pension and Annuity Fund (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$51,221,750. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

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

the TPAF net pension liability attributable to the School District was .075970%, which was an increase of .001551% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$1,180,888 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2016 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

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

	<u>(3.25%)</u>	<u>(4.25%)</u>	<u>(5.25%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>60,853,046</u>	<u>51,221,750</u>	<u>43,287,447</u>
	<u>\$ 60,853,046</u>	<u>\$ 51,221,750</u>	<u>\$ 43,287,447</u>

Pension Plan Fiduciary Net Position - 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.

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>		<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035	\$	17,581,004,496
Collective Deferred Inflows of Resources	11,992,821,439		300,836,088
Collective Net Pension Liability	67,670,209,171		79,028,907,033
School District's portion	0.03749%		0.03432%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2018, employee contributions totaled \$21,878 and the District recognized pension expense of \$17,146.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey 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.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$50,570,621. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0942780949%, which was a decrease of 0.0007830964% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$2,657,450 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 60,030,975.61	\$ 50,570,621.00	\$ 43,066,577.81
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 65,861,915.44	\$ 54,975,583.00	\$ 46,406,644.00
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 41,589,447.11	\$ 50,570,621.00	\$ 62,497,514.25
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 45,108,996.57	\$ 54,975,583.00	\$ 68,166,268.95
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

* See Healthcare Cost Trend Assumptions for details of rates.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 9. Other Post-Retirement Benefits (continued):

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255.00	\$ (99,843,255.00)
Change in Assumptions	-	(6,343,769,032.00)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	1,190,373,242.00	-
	\$ 1,290,216,497.00	\$ (6,443,612,287.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

** Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2016, the Program membership consisted of the following:

	June 30, 2016
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
	366,078

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

Total OPEB Liability	
Service Cost	\$ 2,391,878,884
Interest Cost	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Contributions: Member	45,748,749
Gross Benefit Payments	(1,242,412,566)
Net Change in Total OPEB Liability	(4,191,942,326)
Total OPEB Liability (Beginning)	57,831,784,184
Total OPEB Liability (Ending)	\$ 53,639,841,858
Total Covered Employee Payroll	13,493,400,208
Net OPEB Liability as a Percentage of Payroll	398%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$1,180,888, \$762,711 and \$2,384, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School 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 trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 23,332	\$ 2,092	\$ 15,245	\$ 191,675
2016-2017	10,180	786	9,563	181,496
2015-2016	17,769	299	10,410	180,093

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)

Note 11. Risk Management (continued):

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool – The School District also participates in the Burlington County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School 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 School 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, 2018 may be impaired. In the opinion of the School 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 financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
AXA Equitable

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

Note 14. Compensated Absences

The School 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2018, the liability for compensated absences reported on the government-wide Statement of Net Position was \$553,910.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$1,100,000.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018 (continued)**

Note 17. Fund Balances

General Fund – Of the \$8,957,604 General Fund fund balance at June 30, 2018, \$5,860,728 has been restricted for the Capital Reserve Account; \$965,782 has been restricted for the Maintenance Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$1,100,000 has been restricted for current year excess surplus; \$975,000 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; and \$(315,906) has been unassigned.

Capital Projects Fund – Of the \$623,006 Capital Projects Fund fund balance at June 30, 2018, \$623,006 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$46,242 Debt Service Fund fund balance at June 30, 2018, \$46,242 is restricted for future debt service payments.

Note 18. Deficit Fund Balances

The School District has a deficit fund balance of \$315,906 in the General Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$315,906 which is less than the last state aid payment.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$6,456,819 at June 30, 2018. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2018.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 15, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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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, 2018**

ACCOUNT NUMBER	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 7,969,134	\$ -	\$ 7,969,134	\$ 7,969,134	\$ -
Interest on Capital Reserve	10-1XXX	2,000	-	2,000	-	(2,000)
Tuition	10-1300	-	-	-	201,974	201,974
Transportation Fees from Other LEAs	10-1420	-	-	-	2,685	2,685
Unrestricted Miscellaneous	10-1990	5,000	-	5,000	275,822	270,822
Total Local Sources		7,976,134	-	7,976,134	8,449,615	473,481
State Sources:						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Categorical Special Education Aid	10-3132	546,275	-	546,275	546,275	-
Equalization Aid	10-3176	8,036,029	12,961	8,048,990	8,048,990	-
Categorical Security Aid	10-3177	267,312	-	267,312	267,312	-
Adjustment Aid	10-3178	1,025,803	-	1,025,803	1,025,803	-
PARCC Readiness	10-3181	9,550	-	9,550	9,550	-
Per Pupil Growth Aid	10-3182	9,550	-	9,550	9,550	-
Professional Learning Community Aid	10-3183	9,420	-	9,420	9,420	-
Extraordinary Aid	10-3131	12,500	-	12,500	79,076	66,576
Other State Aid -						
Lead Testing	10-3XXX	-	-	-	3,427	3,427
Homeless Reimbursement	10-3XXX	-	-	-	90,193	90,193
Nonpublic School Transportation		-	-	-	6,670	6,670
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	762,711	762,711
On-Behalf TPAF Pension Contributions		-	-	-	1,180,888	1,180,888
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	2,384	2,384
Reimbursed TPAF Social Security Contributions		-	-	-	585,197	585,197
Total State Sources		10,043,794	12,961	10,056,755	12,754,801	2,698,046
Federal Sources:						
Medicaid Reimbursement	10-4200	34,585	-	34,585	72,359	37,774
Total Federal Services		34,585	-	34,585	72,359	37,774
Total Revenues		18,054,513	12,961	18,067,474	21,276,775	3,209,301
Expenditures:						
Instruction:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Pre-Kindergarten	11-105-100-101	56,000	-	56,000	24,172	31,828
Kindergarten	11-110-110-101	427,420	-	427,420	409,507	17,913
Grades 1 - 5	11-120-100-101	2,158,970	(55,256)	2,103,714	2,017,850	85,864
Grades 6 - 8	11-130-100-101	1,395,480	50,229	1,445,709	1,445,709	-
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	10,000	11,310	21,310	21,310	-
Purchased Professional & Educational Services	11-150-100-320	12,000	15,060	27,060	27,060	-
Regular Programs - Undistributed:						
Other Salaries for Instruction	11-190-100-106	181,886	(2,815)	179,071	168,715	10,356
Purchased Professional & Educational Services	11-190-100-320	249,850	7,092	256,942	256,852	90
Purchased Technical Services	11-190-100-340	27,540	(3,519)	24,021	22,971	1,050
Other Purchased Services	11-190-100-500	51,150	(1,411)	49,739	48,509	1,230
General Supplies	11-190-100-610	185,464	14,158	199,622	199,622	-
Textbooks	11-190-100-640	500	123,900	124,400	124,400	-
Other Objects	11-190-100-800	150	(150)	-	-	-
Regular Programs - Employee Benefits:						
Health Benefits	11-1xx-100-270	79,229	(79,229)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
Total Instruction - Regular Programs		4,864,639	50,369	4,915,008	4,766,677	148,331

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Education:						
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	311,795	(4,609)	307,186	295,144	12,042
Other Salaries for Instruction	11-212-100-106	129,004	5,784	134,788	130,881	3,907
Purchased Professional & Educational Services	11-212-100-320	194,000	4,251	198,251	165,654	32,597
Other Purchased Services	11-212-100-500	-	12	12	12	-
General Supplies	11-212-100-610	3,830	-	3,830	3,031	799
Textbooks	11-212-100-640	460	-	460	397	63
Total Multiple Disabilities		639,089	5,438	644,527	595,119	49,408
Resource Room/Center:						
Salaries of Teachers	11-213-100-101	1,295,815	27,915	1,323,730	1,323,730	-
Other Salaries for Instruction	11-213-100-106	117,294	(27,915)	89,379	73,651	15,728
Purchased Professional & Educational Services	11-213-100-320	56,500	(12,623)	43,877	40,369	3,508
General Supplies	11-213-100-610	2,240	796	3,036	2,938	98
Textbooks	11-213-100-640	1,610	-	1,610	1,187	423
Total Resource Room/Center		1,473,459	(11,827)	1,461,632	1,441,875	19,757
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	52,605	-	52,605	52,605	-
Other Salaries for Instruction	11-215-100-106	25,407	-	25,407	25,074	333
Purchased Professional & Educational Services	11-215-100-320	10,000	6,000	16,000	793	15,207
General Supplies	11-215-100-600	150	1,622	1,772	-	1,772
Total Preschool Disabilities - Part Time		88,162	7,622	95,784	78,472	17,312
Employee Benefits - Special Education:						
Health Benefits	11-2xx-100-270	99,358	(99,358)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
Total Employee Benefits - Special Education		112,358	(112,358)	-	-	-
Total Special Education		2,313,068	(111,125)	2,201,943	2,115,466	86,477
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	59,750	4,679	64,429	64,429	-
Purchased Professional & Educational Services	11-230-100-320	2,000	-	2,000	636	1,364
Other Purchased Services	11-230-100-500	-	11	11	11	-
General Supplies	11-230-100-600	1,000	-	1,000	772	228
Total Basic Skills/Remedial		62,750	4,690	67,440	65,848	1,592
Bilingual Education:						
Salaries of Teachers	11-240-100-101	139,788	(4,679)	135,109	112,314	22,795
Other Salaries for Instruction	11-240-100-106	5,000	(170)	4,830	-	4,830
Purchased Professional & Educational Services	11-240-100-320	3,000	(574)	2,426	2,426	-
General Supplies	11-240-100-610	750	(256)	494	454	40
Total Bilingual Education		148,538	(5,679)	142,859	115,194	27,665
School Sponsored Cocurricular Activities:						
Salaries of Teachers	11-401-100-101	113,271	165	113,436	95,362	18,074
Purchased Services	11-401-100-300	6,700	385	7,085	3,600	3,485
Supplies and Materials	11-401-100-600	7,255	1,946	9,201	5,092	4,109
Other Objects	11-401-100-800	4,085	(790)	3,295	3,288	7
Total School Sponsored Cocurricular Activities		131,311	1,706	133,017	107,342	25,675

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
School Sponsored Athletics:						
Salaries of Teachers	11-402-100-100	11,094	-	11,094	9,869	1,225
Total School Sponsored Athletics		11,094	-	11,094	9,869	1,225
Other Instructional Programs:						
Salaries of Teachers	11-403-100-100	55,630	-	55,630	55,630	-
Supplies and Materials	11-403-100-600	4,300	(400)	3,900	652	3,248
Total Other Instructional Programs		59,930	(400)	59,530	56,282	3,248
Before & After School Programs:						
Purchased Professional & Technical Services	11-421-100-300	5,000	-	5,000	-	5,000
Total Before & After School Programs		5,000	-	5,000	-	5,000
Support Services:						
Tuition:						
Tuition to Other LEA's - Within State Regular	11-000-100-561	163,657	27,914	191,571	178,986	12,585
Tuition to County Special Services & Regular Day Schools	11-000-100-565	836,682	(120,094)	716,588	716,588	-
Tuition to Private Schools - Handicapped Within State	11-000-100-566	265,250	10,074	275,324	266,963	8,361
Tuition- Other	11-000-100-569	143,330	(10,980)	132,350	110,770	21,580
Total Tuition		1,408,919	(93,086)	1,315,833	1,273,307	42,526
Attendance & Social Work Services:						
Salaries	11-000-211-100	59,012	-	59,012	55,079	3,933
Other Purchased Services	11-000-211-500	1,400	-	1,400	653	747
Total Attendance & Social Work Services		60,412	-	60,412	55,732	4,680
Health Services:						
Salaries	11-000-213-100	236,460	1,286	237,746	236,291	1,455
Purchased Professional & Technical Services	11-000-213-300	16,500	(1,202)	15,298	11,379	3,919
Other Purchased Services	11-000-213-500	1,310	-	1,310	578	732
Supplies and Materials	11-000-213-600	7,049	(84)	6,965	3,885	3,080
Total Health Services		261,319	-	261,319	252,133	9,186
Speech, OT, PT, Related & Extraordinary Services:						
Salaries	11-000-216-100	170,490	(3,600)	166,890	162,351	4,539
Purchased Professional & Educational Services	11-000-216-320	175,500	(22,981)	152,519	115,392	37,127
Travel	11-000-216-580	-	33	33	33	-
Supplies and Materials	11-000-216-600	7,600	-	7,600	4,030	3,570
Other Objects	11-000-216-800	100	(100)	-	-	-
Total Speech, OT, PT, Related & Extraordinary Services:		353,690	(26,648)	327,042	281,806	45,236
Other Support Services- Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	123,050	(10,174)	112,876	94,930	17,946
Total Other Support Services:		123,050	(10,174)	112,876	94,930	17,946

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	288,035	1,175	289,210	200,990	88,220
Purchased Professional- Education Servic	11-000-218-320	5,000	(53)	4,947	550	4,397
Other Purchased Services	11-000-218-500	-	53	53	24	29
Supplies and Materials	11-000-218-600	4,175	(675)	3,500	3,325	175
Total Guidance		297,210	500	297,710	204,889	92,821
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	408,421	-	408,421	331,130	77,291
Salaries of Secretarial & Clerical Assistants	11-000-219-105	57,766	-	57,766	56,266	1,500
Purchased Professional & Educational Services	11-000-219-320	77,000	(7,895)	69,105	32,780	36,325
Other Purchased Services	11-000-219-500	22,063	288	22,351	14,455	7,896
Miscellaneous Purchased Services	11-000-219-592	1,000	(1,000)	-	-	-
Supplies and Materials	11-000-219-600	19,400	-	19,400	9,113	10,287
Other Objects	11-000-219-800	2,000	-	2,000	215	1,785
Total Child Study Teams		587,650	(8,607)	579,043	443,959	135,084
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	57,117	-	57,117	57,116	1
Salaries of Other Professional Staff	11-000-221-104	25,800	-	25,800	25,000	800
Salaries of Secretarial & Clerical Assistants	11-000-221-105	27,398	(7,652)	19,746	16,060	3,686
Other Salaries	11-000-221-108	-	700	700	700	-
Other Purchased Professional & Technical Services	11-000-221-390	3,000	-	3,000	3,000	-
Other Purchased Services	11-000-221-500	4,950	(1,090)	3,860	2,830	1,030
Supplies and Materials	11-000-221-600	3,700	-	3,700	2,961	739
Other Objects	11-000-221-800	1,325	-	1,325	964	361
Total Improvement of Instructional Services		123,290	(8,042)	115,248	108,631	6,617
Educational Media Services - School Library:						
Salaries	11-000-222-100	164,628	-	164,628	163,082	1,546
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,070	430
Other Purchased Services	11-000-222-500	-	9	9	9	-
Supplies and Materials	11-000-222-600	18,686	-	18,686	18,079	607
Other Objects	11-000-222-800	100	-	100	-	100
Total Educational Media Services - School Library		188,914	9	188,923	186,240	2,683
Instructional Staff Training Services:						
Salaries of Supervisor of Instruction	11-000-223-102	57,117	-	57,117	57,116	1
Salaries of Secretarial & Clerical Assistants	11-000-223-105	27,398	-	27,398	16,060	11,338
Purchased Professional & Educational Services	11-000-223-320	20,500	3,197	23,697	23,000	697
Other Purchased Services	11-000-223-500	5,000	-	5,000	4,457	543
Supplies and Materials	11-000-223-600	1,000	(500)	500	408	92
Other Objects	11-000-223-800	100	-	100	-	100
Total Instructional Staff Training Services		111,115	2,697	113,812	101,041	12,771

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
General Administration:						
Salaries	11-000-230-100	234,547	2,047	236,594	217,811	18,783
Legal Services	11-000-230-331	49,000	9,730	58,730	59,730	(1,000)
Audit Services	11-000-230-332	26,450	(150)	26,300	25,450	850
Architectural/Engineering Services	11-000-230-334	10,000	(2,106)	7,894	2,092	5,802
Other Purchased Professional Services	11-000-230-339	1,500	8,850	10,350	10,272	78
Purchased Technical Services	11-000-230-340	20,000	750	20,750	20,045	705
Communications/Telephone	11-000-230-530	84,712	3,276	87,988	40,363	47,625
BOE Other Purchased Services	11-000-230-585	8,000	315	8,315	3,811	4,504
Other Purchased Services	11-000-230-590	21,106	1,540	22,646	17,273	5,373
Supplies & Materials	11-000-230-610	5,950	3,735	9,685	3,906	5,779
BOE In-House Training/Supplies	11-000-230-630	1,650	65	1,715	885	830
Miscellaneous Expenditures	11-000-230-890	5,750	225	5,975	2,800	3,175
BOE Membership Dues & Fees	11-000-230-895	10,445	-	10,445	9,414	1,031
Total General Administration		479,110	28,277	507,387	413,852	93,535
School Administration:						
Salaries of Principals/Assistants Principals	11-000-240-103	451,581	15,000	466,581	442,011	24,570
Salaries of Secretarial & Clerical Assistants	11-000-240-105	263,360	10,501	273,861	240,609	33,252
Purchased Professional & Technical Services	11-000-240-300	4,500	150	4,650	-	4,650
Other Purchased Services	11-000-240-500	7,900	300	8,200	4,668	3,532
Supplies & Materials	11-000-240-600	16,625	412	17,037	11,700	5,337
Other Objects	11-000-240-800	4,450	(210)	4,240	3,530	710
Total School Administration		748,416	26,153	774,569	702,518	72,051
Central Services:						
Salaries	11-000-251-100	300,334	11,799	312,133	303,719	8,414
Purchased Professional Services	11-000-251-330	13,000	(1,130)	11,870	13,275	(1,405)
Miscellaneous Purchased Services	11-000-251-592	13,986	550	14,536	7,187	7,349
Supplies & Materials	11-000-251-600	9,470	350	9,820	7,606	2,214
Miscellaneous Expenditures	11-000-251-890	2,700	100	2,800	1,440	1,360
Total Central Services		339,490	11,669	351,159	333,227	17,932
Admin Info Technology:						
Salaries	11-000-252-100	69,384	4,643	74,027	58,024	16,003
Purchased Technical Services	11-000-252-340	75,350	20,305	95,655	91,613	4,042
Supplies & Materials	11-000-252-600	45,950	24,600	70,550	19,525	51,025
Total Admin Info Technology		190,684	49,548	240,232	169,162	71,070
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance Services	11-000-261-420	54,700	34,649	89,349	87,566	1,783
Travel	11-000-261-580	-	-	-	-	-
General Supplies	11-000-261-610	87,250	(40,892)	46,358	25,303	21,055
Other Objects	11-000-261-800	4,535	4,439	8,974	8,889	85
Total Regular Maintenance School Facilities		146,485	(1,804)	144,681	121,758	22,923

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
Salaries	11-000-262-100	933,527	(4,375)	929,152	872,755	56,397
Salaries of Non-Instructional Aides	11-000-262-107	103,491	-	103,491	-	103,491
Health Benefits	11-000-262-270	278,813	(278,813)	-	-	-
Purchased Professional & Technical Services	11-000-262-300	23,900	7,800	31,700	28,885	2,815
Cleaning, Repair & Maintenance Services	11-000-262-420	48,060	(10,067)	37,993	36,983	1,010
Rental of Land & Buildings	11-000-262-441	2,300	2,630	4,930	3,083	1,847
Other Purchased Property Services	11-000-262-490	61,000	6,354	67,354	43,486	23,868
Insurance	11-000-262-520	84,200	(7,500)	76,700	76,661	39
Miscellaneous Purchased Services	11-000-262-590	2,250	-	2,250	1,436	814
General Supplies	11-000-262-610	88,580	(25,679)	62,901	46,554	16,347
Energy (Natural Gas)	11-000-262-621	140,000	(8,282)	131,718	98,592	33,126
Energy (Electricity)	11-000-262-622	320,000	19,032	339,032	299,089	39,943
Total Custodial Services		2,086,121	(298,900)	1,787,221	1,507,524	279,697
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service	11-000-263-420	28,775	(11,684)	17,091	11,234	5,857
General Supplies	11-000-263-610	38,850	(181)	38,669	24,135	14,534
Total Care & Upkeep of Grounds		67,625	(11,865)	55,760	35,369	20,391
Security:						
Purchased Professional & Technical Services	11-000-266-300	66,732	150	66,882	62,639	4,243
Cleaning, Repair & Maintenance Service	11-000-266-420	31,140	364	31,504	18,435	13,069
General Supplies	11-000-266-610	2,600	(245)	2,355	794	1,561
Other Objects	11-000-266-800	600	295	895	895	-
Total Security		101,072	564	101,636	82,763	18,873
Total Operation & Maintenance of Plant Services		2,401,303	(312,005)	2,089,298	1,747,414	341,884
Student Transportation Services:						
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	20,000	-	20,000	18,396	1,604
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	36,000	-	36,000	25,189	10,811
Contracted Services (Between Home & School) - Vendors	11-000-270-511	-	4,888	4,888	3,960	928
Contracted Services (Between Home & School) - Vendors	11-000-270-512	25,550	3,605	29,155	25,717	3,438
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	-	25,590	25,590	17,253	8,337
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	343,326	(29,594)	313,732	309,967	3,765
Total Student Transportation Services		424,876	4,489	429,365	400,482	28,883

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Personal Services - Employee Benefits:						
Social Security Contributions	11-000-291-220	240,000	348	240,348	194,729	45,619
Other Retirement Contributions -						
Regular	11-000-291-241	230,000	6,141	236,141	207,024	29,117
Unemployment Benefits	11-000-291-250	40,000	(3,500)	36,500	-	36,500
Workman's Compensation	11-000-291-260	155,000	(773)	154,227	139,421	14,806
Health Benefits	11-000-291-270	2,251,778	402,342	2,654,120	2,132,455	521,665
Tuition Reimbursement	11-000-291-280	22,000	24,520	46,520	21,444	25,076
Other Employee Benefits	11-000-291-290	229,680	2,022	231,702	173,790	57,912
Total Personal Services - Employee Benefits		3,168,458	431,100	3,599,558	2,868,863	730,695
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	762,711	(762,711)
On-Behalf TPAF Pension Contributions		-	-	-	1,180,888	(1,180,888)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	2,384	(2,384)
Reimbursed TPAF Social Security Contributions		-	-	-	585,197	(585,197)
Total Nonbudgeted		-	-	-	2,531,180	(2,531,180)
Total Undistributed Expenditures		11,267,906	95,880	11,363,786	12,169,366	(805,580)
Total Expenditures - Current Expense		18,864,236	35,441	18,899,677	19,406,044	(506,367)
Capital Outlay:						
Interest to Capital Reserve		2,000	-	2,000	-	2,000
Equipment:						
Regular Programs - Instruction:						
Maintenance Services	12-000-261-730	15,000	118	15,118	15,118	-
Custodial Services	12-000-262-730	4,000	49,050	53,050	9,646	43,404
Care & Upkeep of Grounds	12-000-263-730	8,000	-	8,000	7,555	445
Total Equipment		27,000	49,168	76,168	32,319	43,849
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	200,000	45,144	245,144	220,866	24,278
Other Purchased Professional & Technical Services	12-000-400-390	-	-	-	-	-
Construction Services	12-000-400-450	840,000	(45,144)	794,856	597,878	196,978
Other Objects	12-000-400-800	-	-	-	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277	-
Total Acquisition & Construction Services		1,053,277	-	1,053,277	832,021	221,256
Total Capital Outlay		1,082,277	49,168	1,131,445	864,340	267,105
Total Expenditures		19,946,513	84,609	20,031,122	20,270,384	(239,262)

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,892,000)	(71,648)	(1,963,648)	1,006,391	2,970,039
Other Financing Sources\ (Uses): Transfer from Capital Projects	12-000-400-931	-	-	545	545
Sources Over/(Under) Expenditures & Other Financing Uses	(1,892,000)	(71,648)	(1,963,648)	1,006,936	2,970,584
Fund Balances, July 1	8,704,193	-	8,704,193	8,704,193	-
Fund Balances, June 30	<u>\$ 6,812,193</u>	<u>\$ (71,648)</u>	<u>\$ 6,740,545</u>	<u>\$ 9,711,129</u>	<u>\$ 2,970,584</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 71,648</u>
Total Budget Transfers	<u>\$ 71,648</u>

RECAPITULATION

Restricted Fund Balance:	
Reserve for Excess Surplus	\$ 1,100,000
Emergency Reserve	250,000
Maintenance Reserve	965,782
Capital Reserve Account	5,860,728
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	975,000
Assigned Fund Balance:	
Year-End Encumbrances	131,589
Designated for Subsequent Year's Expenditures	428,030
Unassigned Fund Balance	<u>428,030</u>
Subtotal	9,711,129
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(875,525)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,835,604</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
Local Sources	\$ -	\$ -	\$ -	\$ 11,784	\$ 11,784
State Sources	99,921	-	99,921	66,983	(32,938)
Federal Sources	1,370,475	19,599	1,390,074	1,351,244	(38,830)
Total - Revenues	1,470,396	19,599	1,489,995	1,430,011	(59,984)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	538,967	370	539,337	539,337	-
Professional Education Services	86,952	7,239	94,191	72,584	21,607
Other Purchased Services	365,285	-	365,285	365,285	-
General Supplies	60,834	8,027	68,861	48,339	20,522
Textbooks	8,765	-	8,765	8,574	191
Total Instruction	1,060,803	15,636	1,076,439	1,034,119	42,320
Support Services:					
Other Salaries	160,075	(16,955)	143,120	143,120	-
Purchased Technical Services	55,891	(2,613)	53,278	52,822	456
Other Employee Benefits	170,134	20,454	190,588	189,147	1,441
Other Purchased Services	8,529	2,038	10,567	7,282	3,285
Supplies & Materials	14,964	1,039	16,003	3,521	12,482
Total Support Services	409,593	3,963	413,556	395,892	17,664
Total Expenditures	1,470,396	19,599	1,489,995	1,430,011	59,984
Total Outflows	1,470,396	19,599	1,489,995	1,430,011	59,984
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2018**

**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)	\$ 21,276,775	\$ 1,430,011
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	-	11,098
Current Year	-	(1,945)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	873,995	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(875,525)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 21,275,245	\$ 1,439,164
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,270,384	\$ 1,430,011
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.		
	-	9,153
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)		
	\$ 20,270,384	\$ 1,439,164

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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**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01928%	0.02205%	0.02269%	0.02148%	0.02290%
District's proportionate share of the net pension liability (asset)	\$ 4,725,445	\$ 6,531,143	\$ 5,094,517	\$ 4,020,894	\$ 4,376,091
District's covered-employee payroll	1,364,150	1,371,378	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	346.40%	476.25%	365.60%	262.95%	277.60%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	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.

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

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 188,055	\$ 195,906	\$ 195,114	\$ 177,045	\$ 172,525
Contributions in relation to the contractually required contribution	(188,055)	(195,906)	(195,114)	(177,045)	(172,525)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,364,150	\$ 1,371,378	\$ 1,393,484	\$ 1,529,152	\$ 1,576,389
Contributions as a percentage of covered-employee payroll	13.79%	14.29%	14.00%	11.58%	10.94%

**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 STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ASSOCIATED WITH THE DISTRICT'S TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 108,769,054	\$ 123,152,076	\$ 97,445,478	\$ 83,007,855	\$ 79,988,513
District's covered-employee payroll	8,180,846	8,042,208	7,206,805	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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	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.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FISCAL YEAR*

	2018
District's Total OPEB Liability	
Service Cost	\$ 1,797,478
Interest Cost	1,602,068
Changes of Assumptions	(6,676,316)
Contributions: Member	43,131
Gross Benefit Payments	(1,171,323)
Net Change in District's Total OPEB Liability	(4,404,962)
District's Total OPEB Liability (Beginning)	54,975,583
District's Total OPEB Liability (Ending)	\$ 50,570,621
District's Covered Employee Payroll	\$ 9,544,996
District's Net OPEB Liability as a Percentage of Payroll	530%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* 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 REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June

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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, 2018**

	NO CHILD LEFT BEHIND				RACE TO THE TOP PRESCHOOL	IDEA - B	
	TITLE I PART A	TITLE II PART A	TITLE III PART A	TITLE IV PART A		BASIC	PRESCHOOL
Revenues:							
Federal Sources	\$ 451,181	\$ 44,172	\$ 12,605	\$ 9,790	\$ 437,136	\$ 385,521	\$ 10,839
Total Revenues	\$ 451,181	\$ 44,172	\$ 12,605	\$ 9,790	\$ 437,136	\$ 385,521	\$ 10,839
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 254,715	\$ 18,636	\$ 7,872	\$ -	\$ 258,114	\$ -	\$ -
Professional Education Services	10,000	-	-	5,450	-	19,604	-
Other Purchased Services	-	-	-	-	-	354,446	10,839
General Supplies	84	-	2,133	-	29,729	-	-
Total Instruction	264,799	18,636	10,005	5,450	287,843	374,050	10,839
Support Services:							
Other Salaries	87,925	-	-	-	55,195	-	-
Purchased Technical Services	5,295	19,666	120	-	-	11,471	-
Other Employee Benefits	89,019	5,870	2,480	-	91,778	-	-
Other Purchased Services	3,971	-	-	2,935	376	-	-
Supplies & Materials	172	-	-	1,405	1,944	-	-
Total Support Services	186,382	25,536	2,600	4,340	149,293	11,471	-
Total Expenditures	\$ 451,181	\$ 44,172	\$ 12,605	\$ 9,790	\$ 437,136	\$ 385,521	\$ 10,839

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	NONPUBLIC			CHAPTER 192 AUXILIARY SERVICES COMPENSATION EDUCATION	
	TEXTBOOK	NURSING	TECHNOLOGY		
Revenues:					
State Sources	\$ 8,574	\$ 15,520	\$ 5,359	\$	18,868
Total Revenues	\$ 8,574	\$ 15,520	\$ 5,359	\$	18,868
Expenditures:					
Instruction:					
Professional Education Services	\$ -	\$ -	\$ -	\$	18,868
General Supplies	-	-	5,359		-
Textbooks	8,574	-	-		-
Total Instruction	8,574	-	5,359		18,868
Support Services:					
Purchased Technical Services	-	15,520	-		-
Total Support Services	-	15,520	-		-
Total Expenditures	\$ 8,574	\$ 15,520	\$ 5,359	\$	18,868

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	CHAPTER 193 HANDICAPPED SERVICES					
	CORRECTIVE SPEECH	EXAMINATION AND CLASSIFICATION	PROJECT LEAD THE WAY	SUSTAINABLE NEW JERSEY		2018
Revenues:						
Local Sources	\$ -	\$ -	\$ 3,304	\$ 8,480		\$ 11,784
State Sources	4,464	14,198	-	-		66,983
Federal Sources	-	-	-	-		1,351,244
Total Revenues	\$ 4,464	\$ 14,198	\$ 3,304	\$ 8,480		\$ 1,430,011
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -		\$ 539,337
Purchased Professional & Educational Services	4,464	14,198	-	-		72,584
Other Purchased Services	-	-	-	-		365,285
General Supplies	-	-	2,554	8,480		48,339
Textbooks	-	-	-	-		8,574
Total Instruction	4,464	14,198	2,554	8,480		1,034,119
Support Services:						
Other Salaries	-	-	-	-		143,120
Purchased Technical Services	-	-	750	-		52,822
Other Employee Benefits	-	-	-	-		189,147
Other Purchased Services (400-500)	-	-	-	-		7,282
Supplies & Materials	-	-	-	-		3,521
Total Support Services	-	-	750	-		395,892
Total Expenditures	\$ 4,464	\$ 14,198	\$ 3,304	\$ 8,480		\$ 1,430,011

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2018		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ -
Total Instruction	-	-	-
Total Expenditures	\$ -	\$ -	\$ -

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2017-2018 Preschool Education Aid Allocation	
Add: Actual Preschool Education Aid Carryover (June 30, 2017)	\$ 106,023
Total Preschool Education Aid Funds Available for 2017-2018 Budget	106,023
Less: 2017-2018 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	-
Available & Unbudgeted Preschool Education Aid Funds June 30, 2016	106,023
Add: June 30, 2018 Unexpended Preschool Education Aid	-
Total Actual Preschool Education Aid Carryover	\$ 106,023
2017-2018 Preschool Education Aid Carryover Budgeted in 2018-2019	\$ 106,023

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, 2018**

PROJECT TITLE/ISSUE	EXPENDITURES TO DATE			UNEXPENDED BALANCE JUNE 30, 2018
	APPROPRIATIONS	PRIOR YEARS	CURRENT YEAR	
Various Capital Improvements:				
Bond Proceeds	\$ 6,939,000	\$ 6,383,036	\$ 4,160	\$ 551,804
Transfer from Capital Reserve	1,000,317	928,570	-	71,202
State School Building Aid - (ROD) Grants	12,540,209	11,548,748	6,570	-
Total	\$ 20,479,526	\$ 18,860,354	\$ 10,730	\$ 985,436

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2018:

Unexpended Project Balances June 30, 2018	\$ 623,006
Total Fund Balance (Budgetary Basis) - June 30, 2018	\$ 623,006
Less:	
Unexpended State Aid - ROD Grants	-
Total Fund Balance (GAAP Basis) - June 30, 2018	\$ 623,006

**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, 2018**

Revenues & Other Financing Sources:	
State Sources - SDA Grant	\$ (9,866)
Transfer from Capital Reserve	(545)
Interest Earnings	<u>18,190</u>
 Total Revenues	 <u>7,779</u>
 Expenditures & Other Financing Uses:	
Construction Services	10,730
Transfer to Debt Service	<u>18,190</u>
 Total Expenditures	 <u>28,920</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 (21,141)
Fund Balance - Beginning	<u>644,147</u>
 Fund Balance - Ending	 <u><u>\$ 623,006</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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 1,408,706	\$ -	\$ 1,408,706	\$ 1,408,706
Bond Proceeds	899,663	-	899,663	899,663
Total Reserve	2,308,369	-	2,308,369	2,308,369
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	426,466	-	426,466	442,000
Construction Services	1,874,104	-	1,874,104	1,858,456
Total Expenditures & Other Financing Uses	2,300,570	-	2,300,570	2,300,456
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 7,799	\$ -	\$ 7,799	\$ 7,913

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	\$ 2,320,689
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,320,689
Percentage Increase/(Decrease) Over Original Authorized Cost	
Percentage Completion	99.13%
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, 2018**

	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	16,645	-	16,645	15,000
Construction Services	65,255	-	65,255	66,900
Total Expenditures & Other Financing Uses	81,900	-	81,900	81,900
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

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	100.00%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 200,059	\$ -	\$ 200,059	\$ 200,059
Bond Proceeds	131,808	-	131,808	131,808
Total Reserve	331,867	-	331,867	331,867
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	61,604	-	61,604	61,604
Construction Services	265,113	-	265,113	265,113
Total Expenditures & Other Financing Uses	326,717	-	326,717	326,717
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 5,150	\$ -	\$ 5,150	\$ 5,150

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	\$ (8,133)
Revised Authorized Cost	\$ 331,867
Percentage Increase/(Decrease) Over Original Authorized Cost	-2.39%
Percentage Completion	98.45%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 250,195	\$ -	\$ 250,195	\$ 250,195
Bond Proceeds	168,131	-	168,131	168,131
Total Reserve	418,326	-	418,326	418,326
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	71,313	-	71,313	78,403
Construction Services	332,894	450	333,344	330,192
Total Expenditures & Other Financing Uses	404,207	450	404,657	408,595
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 14,119	\$ (450)	\$ 13,669	\$ 9,731

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	\$ (15,368)
Revised Authorized Cost	\$ 418,326
Percentage Increase/(Decrease) Over Original Authorized Cost	-3.54%
Percentage Completion	96.73%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 516,304	\$ (9,866)	\$ 506,438	\$ 506,438
Bond Proceeds	393,543	-	393,543	393,543
Total Reserve	909,847	(9,866)	899,981	899,981
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	114,253	-	114,253	104,767
Construction Services	728,927	3,940	732,867	738,413
Total Expenditures & Other Financing Uses	843,180	3,940	847,120	843,180
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 66,667	\$ (13,806)	\$ 52,861	\$ 56,801

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	\$ (115,167)
Revised Authorized Cost	\$ 899,981
Percentage Increase Over Original Authorized Cost	13%
Percentage Completion	94.13%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 3,360,584	\$ -	\$ 3,360,584	\$ 3,360,584
Bond Proceeds	2,157,672	-	2,157,672	2,157,672
	<hr/>			
Total Reserve	5,518,256	-	5,518,256	5,518,256
<hr/>				
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	593,855	-	593,855	587,315
Construction Services	4,894,347	-	4,894,347	4,900,886
	<hr/>			
Total Expenditures & Other Financing Uses	5,488,202	-	5,488,202	5,488,201
<hr/>				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 30,054	\$ -	\$ 30,054	\$ 30,055
<hr/> <hr/>				

ADDITIONAL PROJECT INFORMATION

Project Number	3430-050-14-1006
Grant Date	2014-2017
Bond Authorization Date	\$ 3,360,584
Bonds Authorized	\$ 3,360,584
Bonds Issued	
Original Authorized Cost	\$ 5,565,730
Additional Authorized Cost	\$ (47,474)
Revised Authorized Cost	\$ 5,518,256
Percentage Increase/(Decrease) Over Original Authorized Cost	-0.85%
Percentage Completion	99.46%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 4,687,953	\$ -	\$ 4,687,953	\$ 4,687,953
Transfer from Capital Reserve	1,000,317	(545)	999,772	1,000,317
Bond Proceeds	2,320,423	-	2,320,423	2,320,423
Total Reserve	8,008,693	(545)	8,008,148	8,008,693
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	861,050	-	861,050	771,952
Construction Services	6,778,267	-	6,778,267	6,883,985
Total Expenditures & Other Financing Uses	7,639,317	-	7,639,317	7,655,937
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 369,376	\$ (545)	\$ 368,831	\$ 352,756

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	\$ (557,179)
Revised Authorized Cost	\$ 8,008,693
Percentage Increase Over Original Authorized Cost	-6.50%
Percentage Completion	95.39%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 791,012	\$ -	\$ 791,012	\$ 791,012
Bond Proceeds	543,004	-	543,004	543,004
	<u>1,334,016</u>	<u>-</u>	<u>1,334,016</u>	<u>1,334,016</u>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	248,340	-	248,340	135,346
Construction Services	1,043,468	5,440	1,048,908	1,156,462
	<u>1,291,808</u>	<u>5,440</u>	<u>1,297,248</u>	<u>1,291,808</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 42,208</u>	<u>\$ (5,440)</u>	<u>\$ 36,768</u>	<u>\$ 42,208</u>

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	\$ (66,666)
Revised Authorized Cost	\$ 1,334,016
Percentage Increase Over Original Authorized Cost	-4.76%
Percentage Completion	97.24%
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, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 300,221	\$ -	\$ 300,221	\$ 300,221
Bond Proceeds	293,006	-	293,006	293,006
Total Reserve	593,227	-	593,227	593,227
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	64,804	-	64,804	61,046
Construction Services	419,649	900	420,549	429,248
Total Expenditures & Other Financing Uses	484,453	900	485,353	490,294
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 108,774	\$ (900)	\$ 107,874	\$ 102,933

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	(162,585)
Revised Authorized Cost	\$ 593,227
Percentage Increase Over Original Authorized Cost	-21.51%
Percentage Completion	81.82%
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, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Current Assets:	
Cash	\$ 187,723
Accounts Receivable:	
State	501
Federal	31,436
Other	826
Inventories	<u>15,413</u>
 Total Current Assets	 <u>235,899</u>
Fixed Assets:	
Equipment	301,330
Less: Accumulated Depreciation	<u>(292,764)</u>
 Total Fixed Assets	 <u>8,566</u>
 Total Assets	 <u>244,465</u>
 LIABILITIES	
Accounts Payable	5,998
Interfund Payable	122,299
Unearned Revenue	<u>3,582</u>
 Total Liabilities	 <u>131,879</u>
 NET POSITION	
Net Investment in Capital Assets	8,566
Unrestricted Net Position	<u>104,020</u>
 Total Net Position	 <u>\$ 112,586</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, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 105,850
Daily Sales - Non-Reimbursable Programs	21,911
Special Functions	2,988
	<hr/>
Total Operating Revenues	130,749
	<hr/>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	237,115
Cost of Sales- Non- Reimbursable Programs	13,913
Salaries and Benefits	302,355
Supplies & Materials	17,214
Depreciation	8,704
Management Fee	16,980
Indirect Costs	34,273
Direct Services	7,659
Miscellaneous	1,434
	<hr/>
Total Operating Expenses	639,647
	<hr/>
Operating Income/(Loss)	(508,898)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	6,301
Federal Sources:	
National School Lunch Program	281,672
National School Breakfast Program	79,842
Special Milk Program	45
Food Distribution Program	33,571
Healthy Hungry Kids Act	7,049
After School Snack	24,671
Interest Revenue	1,947
	<hr/>
Total Nonoperating Revenues/(Expenses)	435,098
	<hr/>
Net Income/(Loss)	(73,800)
Net Position - July 1	186,386
	<hr/>
Net Position - June 30	\$ 112,586
	<hr/> <hr/>

**MOUNT HOLLY SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr style="border: 0.5px solid black;"/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 163,273
Payments to Employees for Services	(302,355)
Payments to Suppliers for Goods & Services	(199,137)
	(338,219)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	444,720
	444,720
Cash Flows From Investing Activities:	
Interest & Dividends	1,947
	1,947
Net Increase/(Decrease) in Cash & Cash Equivalents	108,448
Cash & Cash Equivalents, July 1	79,275
Cash & Cash Equivalents, June 30	\$ 187,723

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

Operating Income/(Loss)	\$ (508,898)
Adjustments to Reconcile Operating Income/ (Loss)/to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	8,704
Food Distribution Program	33,571
Change in Assets & Liabilities:	
(Increase)/Decrease in Receivables	(173)
(Increase)/Decrease in Inventories	1,154
Increase/(Decrease) in Accounts Payable	5,998
Increase/(Decrease) in Interfund Payable	122,299
Increase/(Decrease) in Unearned Revenues	(874)
	170,679
Total Adjustments	170,679
Net Cash Provided/(Used) by Operating Activities	\$ (338,219)

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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, 2018**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS			
	UNEMPLOYMENT COMPENSATION TRUST		STUDENT ACTIVITY	PAYROLL				
Cash & Cash Equivalents	\$	192,041	\$	4,545	\$	104	\$	196,690
Total Assets		192,041		4,545		104		196,690
LIABILITIES								
Interfund Payable		-		-		104		104
Accounts Payable		366		-		-		366
Due to Student Groups		-		4,545		-		4,545
Total Liabilities		366		4,545		104		5,015
NET POSITION								
Reserve for Unemployment Compensation		191,675		-		-		191,675
Total Net Position	\$	191,675	\$	-	\$	-	\$	191,675

**MOUNT HOLLY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>
ADDITIONS:	
Contributions:	
Employee Contributions	<u>\$ 23,332</u>
Total Contributions	<u>23,332</u>
Investment Earnings:	
Interest	<u>2,092</u>
Net Investment Earnings	<u>2,092</u>
Total Additions	<u>25,424</u>
DEDUCTIONS:	
Unemployment Claims	<u>15,245</u>
Total Deductions	<u>15,245</u>
Change in Net Position	10,179
Net Position - July 1	<u>181,496</u>
Net Position - June 30	<u><u>\$ 191,675</u></u>

**MOUNT HOLLY SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2018
Holbein School	\$ 3,990	\$ 13,685	\$ 13,488	\$ 4,187
Folwell School	358	-	-	358
Total Activity	\$ 4,348	\$ 13,685	\$ 13,488	\$ 4,545

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
Cash & Cash Equivalents	\$ 77	\$ 11,771,346	\$ 11,771,319	\$ 104
Total Assets	\$ 77	\$ 11,771,346	\$ 11,771,319	\$ 104
LIABILITIES				
Payroll Deductions & Withholdings	\$ -	\$ 5,529,424	\$ 5,529,424	\$ -
Net Payroll	-	6,241,895	6,241,895	-
Interfund Payable	77	27	-	104
Total Liabilities	\$ 77	\$ 11,771,346	\$ 11,771,319	\$ 104

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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, 2018**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
						JULY 1, 2017			JUNE 30, 2018
General Obligation Bonds	7/1/15	\$ 6,939,000	07/01/2018	\$ 275,000	3.00%	\$ 6,699,000	\$ -	\$ 255,000	\$ 6,444,000
			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						\$ 6,699,000	\$ -	\$ 255,000	\$ 6,444,000

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		AMOUNT OUTSTANDING JUNE 30, 2017	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2018
			PRINCIPAL	INTEREST			
Duplicating Machines: Copiers	12/15/2013	5 Years	\$ 284,171	\$ 27,709	\$ 85,928	\$ 60,198	\$ 25,730
Total					\$ 85,928	\$ 60,198	\$ 25,730

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 505,621	\$ -	\$ 505,621	\$ 505,621	\$ -
Interest	-	-	-	22,192	22,192
Total Revenues	505,621	-	505,621	527,813	22,192
Expenditures:					
Regular Debt Service:					
Principal	255,000	-	255,000	255,000	-
Interest	272,638	-	272,638	326,400	(53,762)
Total Expenditures	527,638	-	527,638	581,400	(53,762)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(22,017)	-	(22,017)	(53,587)	(31,570)
Fund Balances July 1, 2017	99,829	-	99,829	99,829	-
Fund Balances June 30, 2018	\$ 121,846	\$ -	\$ 121,846	\$ 46,242	\$ (31,570)

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	OUTSTANDING BALANCE 2017	DELETIONS	OUTSTANDING BALANCE 2017
Compensated Absences	\$ 581,945	\$ (28,035)	\$ 553,910

STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net Investment in Capital, Assets	\$ 21,956,451	\$ 21,755,250	\$ 22,113,558	\$ 16,362,715	\$ 13,560,207	\$ 12,074,204	\$ 11,176,472	\$ 11,662,297	\$ 11,508,184	\$ 11,954,070
Restricted:										
Special Revenue	-	-	-	-	115,069	-	-	-	-	-
Capital Projects	623,006	627,711	2,987,248	-	-	-	-	-	-	-
Debt Service	46,242	99,829	39,779	17,762	-	-	-	-	-	-
Other Purposes	9,151,510	8,198,391	7,417,955	5,620,575	5,940,843	4,973,883	3,911,564	2,991,983	2,452,655	2,055,637
Unrestricted	(6,456,819)	(6,482,855)	(8,404,457)	(4,997,172)	(1,049,410)	(728,261)	(669,401)	(1,290,155)	(1,414,677)	(1,462,995)
Total Governmental Activities										
Net Position	\$ 25,320,390	\$ 24,198,326	\$ 24,154,083	\$ 17,003,880	\$ 18,566,709	\$ 16,319,826	\$ 14,418,635	\$ 13,364,125	\$ 12,546,162	\$ 12,546,776
Business-Type Activities:										
Net Investment in Capital, Assets	\$ 8,566	\$ 17,271	\$ 25,947	\$ 31,008	\$ 42,161	\$ 53,572	\$ 77,512	\$ 42,607	\$ 21,601	\$ 26,933
Unrestricted	104,020	169,115	138,868	104,099	117,312	114,176	100,804	87,662	59,935	19,843
Total Business-Type Activities										
Net Position	\$ 112,586	\$ 186,386	\$ 164,815	\$ 135,107	\$ 159,473	\$ 167,748	\$ 178,316	\$ 130,269	\$ 81,536	\$ 46,776
Government-Wide:										
Net Investment in Capital, Assets	\$ 21,965,017	\$ 21,772,521	\$ 22,139,505	\$ 16,393,723	\$ 13,602,368	\$ 13,602,368	\$ 12,127,776	\$ 11,253,984	\$ 11,704,904	\$ 11,529,785
Restricted:										
Capital Projects	623,006	627,711	2,987,248	-	115,069	115,069	-	-	-	-
Debt Service	46,242	99,829	39,779	17,762	-	-	-	-	-	-
Other Purposes	9,151,510	8,198,391	7,417,955	5,620,575	5,940,843	4,973,883	4,973,883	3,911,564	2,991,983	2,452,655
Unrestricted	(6,352,799)	(6,313,740)	(8,265,589)	(4,893,073)	(932,098)	(932,098)	(614,085)	(568,597)	(1,202,493)	(1,354,742)
Total District Net Position	\$ 25,432,976	\$ 24,384,712	\$ 24,318,898	\$ 17,138,987	\$ 18,726,182	\$ 18,726,182	\$ 16,487,574	\$ 14,596,951	\$ 13,494,394	\$ 12,627,698

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,809,949	\$ 5,682,083	\$ 5,559,807	\$ 5,387,538	\$ 5,487,411	\$ 5,213,542	\$ 5,214,002	\$ 5,519,336	\$ 5,793,118	\$ 6,152,373
Special Education	2,115,466	2,018,801	2,162,306	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839
Other Instruction	449,465	467,110	506,400	439,399	467,418	450,180	426,607	415,335	482,674	496,843
Support Services & Undistributed Costs:										
Tuition	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821
Student & Instruction Related Services	2,030,323	2,087,780	1,989,139	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242
General Administrative Services	413,852	379,281	340,412	353,946	372,782	386,050	369,892	454,401	414,840	447,724
School Administrative Services	702,518	690,529	721,377	693,063	687,619	590,906	555,994	710,874	707,299	669,699
Central Services	502,389	506,466	466,135	448,173	418,467	-	320,780	324,533	264,589	569,717
Plant Operations & Maintenance	1,951,131	6,229,117	1,922,024	1,833,142	1,574,198	1,839,744	1,703,287	1,303,527	1,470,316	1,884,142
Pupil Transportation	400,482	422,531	376,631	339,534	325,450	413,220	379,328	336,873	504,243	269,809
Unallocated Benefits	12,224,413	9,083,386	7,348,324	6,180,343	4,262,067	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037
Changes in Long-Term Debt	311,642	277,390	305,584	118,547	(118,023)	269,082	-	-	-	-
Unallocated Depreciation	707,170	647,006	440,877	255,799	132,723	135,733	179,503	161,222	137,586	181,556
Total Governmental Activities Expense	28,892,107	29,725,169	23,029,512	21,178,898	18,485,896	18,688,222	18,279,186	19,186,895	19,693,186	20,146,802
Business-Type Activities										
Food Service	639,647	504,577	493,880	509,455	523,025	500,447	467,251	420,095	393,400	400,050
Total Business-Type Activities Expense	639,647	504,577	493,880	509,455	523,025	500,447	467,251	420,095	393,400	400,050
Total District Expenses	\$ 29,531,754	\$ 30,229,746	\$ 23,523,392	\$ 21,688,353	\$ 19,008,921	\$ 19,188,669	\$ 18,746,437	\$ 19,606,990	\$ 20,086,586	\$ 20,546,852
Program Revenues:										
Governmental Activities										
Operating Grants & Contributions	\$ 8,232,578	\$ 5,560,432	\$ 5,560,432	\$ 4,345,764	\$ 2,539,068	\$ 2,812,727	\$ 1,666,996	\$ 2,657,941	\$ 3,087,639	\$ 2,358,956
Total Governmental Activities Program Revenues	8,232,578	5,560,432	5,560,432	4,345,764	2,539,068	2,812,727	1,666,996	2,657,941	3,087,639	2,358,956

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-Type Activities:										
Charges for Services:										
Food Service	130,749	118,697	125,126	137,893	157,605	157,605	158,248	183,601	142,273	140,705
Operating Grants & Contributions	433,151	406,867	398,279	347,101	338,960	338,960	302,410	279,361	285,705	265,149
Total Business Type Activities	563,900	525,564	523,405	484,994	496,565	496,565	460,658	462,962	427,978	405,854
Program Revenues	8,796,478	6,085,996	6,083,837	4,830,758	3,035,633	3,309,292	2,127,654	3,120,903	3,515,617	2,764,810
Total District Program Revenues	9,360,378	6,611,560	6,607,242	5,661,552	6,532,198	6,808,857	5,588,312	6,583,865	7,031,592	5,210,664
Net (Expense)/Revenue:										
Governmental Activities	(20,659,529)	(22,571,700)	(17,469,080)	25,524,662	(15,946,828)	(15,875,495)	(16,612,190)	(16,528,954)	(16,605,547)	(17,787,846)
Business-Type Activities	(75,747)	20,987	29,525	(24,461)	(26,460)	(3,882)	(6,593)	42,867	34,578	5,804
Total Government-Wide Net Expense	(20,735,276)	(22,550,713)	(17,439,555)	25,500,201	(15,973,288)	(15,879,377)	(16,618,783)	(16,486,087)	(16,570,969)	(17,782,042)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	8,474,755	8,126,448	7,835,278	7,400,372	7,350,372	7,300,372	7,157,227	7,016,889	6,889,889	6,814,889
Unrestricted Grants & Contributions	12,792,381	14,036,919	16,480,283	12,014,357	10,252,864	10,125,861	10,359,703	9,933,649	9,808,226	10,034,918
Investment Earnings	22,192	26,500	14,785	23,608	5,800	3,585	8,938	36,787	4,924	83,683
Miscellaneous Income	492,265	426,076	288,937	208,059	584,675	346,868	140,832	359,592	357,576	115,065
Disposal of Fixed Assets	-	-	-	-	-	-	-	-	(455,618)	(11,542)
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	21,781,593	22,615,943	24,619,283	19,646,396	18,193,711	17,776,686	17,666,700	17,346,917	16,604,997	17,037,013
Business-Type Activities:										
Investment Earnings	1,947	584	183	95	108	106	497	592	182	88
Adjustment to Fixed Assets	-	-	-	-	5,921	(6,792)	54,143	5,274	16,487,574	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,947	584	183	95	6,029	(6,686)	54,640	5,866	16,487,756	88
Total Government-Wide	21,783,540	22,616,527	24,619,466	19,646,491	18,199,740	17,770,000	17,721,340	17,352,783	33,092,753	17,037,101
Change in Net Position:										
Governmental Activities	1,122,064	44,243	7,150,203	(1,067,812)	2,246,883	2,246,883	1,901,191	1,054,510	817,963	(550)
Business-Type Activities	(73,800)	21,571	29,708	78,268	(8,275)	(20,431)	(10,568)	48,047	48,733	16,522,334
Total District	1,048,264	65,814	7,179,911	(989,544)	2,238,608	2,226,452	1,890,623	1,102,557	866,696	16,521,784

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Restricted for:										
Capital Reserve	\$ 5,860,728	\$ 5,182,609	\$ 4,657,173	\$ 3,064,793	\$ 3,361,643	\$ 2,686,673	\$ 2,277,373	\$ 1,468,436	\$ 1,175,939	\$ 921,016
Emergency Reserve	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	200,000	100,000
Maintenance Reserve	965,782	965,782	965,782	865,782	978,607	1,013,607	443,607	440,924	250,000	150,000
Excess Surplus	1,100,000	975,000	825,000	720,000	720,000	1,576,195	519,616	420,968	411,655	407,471
Excess Surplus - Designated for Subsequent Year's Expenditures	975,000	825,000	720,000	720,000	630,593	503,987	420,968	411,655	407,471	344,505
Assigned to:										
Other Purposes	-	-	-	-	-	-	-	-	7,590	132,645
Designated for Subsequent Year's Expenditures	-	-	(356,354)	(43,660)	(439,172)	(1,056,580)	107,269	-	-	-
Unassigned	(315,906)	(368,193)	-	-	-	-	-	(236,786)	(573,621)	(482,011)
Total General Fund	\$ 8,835,604	\$ 7,830,198	\$ 7,061,601	\$ 5,576,915	\$ 5,501,671	\$ 4,973,883	\$ 4,018,833	\$ 2,755,197	\$ 1,879,034	\$ 1,573,626
All Other Governmental Funds:										
Assigned, Reported in:										
Debt Service Fund	\$ 46,242	\$ 99,829	\$ 39,779	\$ 17,762	-	-	-	-	-	-
Capital Projects Fund	623,006	627,711	2,987,248	6,845,151	115,069	-	-	-	-	-
Total All Other Governmental Funds	\$ 669,248	\$ 727,540	\$ 3,027,027	\$ 6,862,913	\$ 115,069	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local Tax Levy	\$ 8,474,755	\$ 8,126,448	\$ 7,835,278	\$ 7,400,372	\$ 7,350,372	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889	\$ 6,889,889	\$ 6,814,889
Tuition Charges	204,659	243,834	141,226	162,954	314,831	272,924	86,665	283,447	222,341	-
Interest Earnings	22,192	26,500	14,785	23,608	5,800	3,585	8,938	36,787	4,924	83,683
Miscellaneous	287,606	128,480	140,479	45,105	269,844	73,944	54,167	76,145	135,235	115,065
State Sources	12,835,977	16,192,481	18,438,953	13,580,626	11,648,440	11,862,388	10,719,825	11,272,489	10,014,910	11,358,161
Federal Sources	1,423,603	1,453,796	1,366,224	1,065,102	1,143,492	1,076,200	1,306,874	1,319,101	2,880,955	1,035,713
Total Revenue	23,248,792	26,171,539	27,936,945	22,277,767	20,732,779	20,589,413	19,333,696	20,004,858	20,148,254	19,407,511
Expenditures:										
Instruction:										
Regular Instruction	5,809,949	5,682,083	5,559,807	5,387,538	5,487,411	5,213,542	5,214,002	5,519,336	5,793,118	6,152,373
Special Education Instruction	2,115,466	2,018,801	2,162,306	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138	1,737,377	1,491,839
Other Special Instruction	449,465	467,110	506,400	439,399	447,418	450,180	426,607	415,335	482,674	496,843
Support Services & Undistributed Costs:										
Tuition	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089	1,644,007	1,906,476	1,386,051	1,342,821
Student & Instruction Related Services	2,030,323	2,087,780	1,989,139	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554	2,397,490	2,213,242
School Administrative Services	702,518	690,529	721,377	693,063	687,619	590,906	665,447	710,874	707,299	669,699
General Administrative Services	916,241	885,747	806,547	788,842	769,153	790,659	723,272	791,274	919,083	717,533
Plant Operations & Maintenance	1,747,414	1,818,580	1,790,757	1,762,335	1,761,756	1,743,398	1,412,694	1,303,527	1,470,316	1,884,142
Pupil Transportation	400,482	422,531	376,631	339,534	325,450	317,491	302,699	407,000	404,517	382,978
Unallocated Benefits	5,400,043	5,135,710	4,974,852	4,478,534	4,262,067	4,148,816	3,908,934	4,511,837	4,397,603	4,427,037
Interest & Other Charges	326,400	241,582	322,898	-	-	-	-	-	-	-
Capital Outlay	875,070	6,832,049	10,194,167	3,236,240	1,737,435	1,087,306	195,546	326,124	147,318	42,308
Debt Service:										
Principal	255,000	240,000	-	-	-	-	-	-	-	-
Total Expenditures	22,301,678	27,756,191	30,295,377	22,254,899	20,374,093	19,634,363	18,070,060	19,423,475	19,842,846	19,820,815
Excess (Deficiency) of Revenues Over/(Under) Expenditures	947,114	(1,584,652)	(2,358,432)	22,868	358,686	955,050	1,263,636	581,383	305,408	(413,304)
Other Financing Sources/(Uses):										
Capital Leases	-	-	-	-	284,171	-	-	294,780	-	-
Bond Proceeds	-	-	-	6,800,220	-	-	-	-	-	-
Transfers In/(Out)	-	53,762	7,232	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	53,762	7,232	6,800,220	284,171	-	-	294,780	-	-
Net Change in Fund Balances	\$ 947,114	\$ (1,530,890)	\$ (2,351,200)	\$ 6,823,088	\$ 642,857	\$ 955,050	\$ 1,263,636	\$ 876,163	\$ 305,408	\$ (413,304)
Debt Service as a Percentage of Noncapital Expenditures	1%	1%	-	-	-	-	-	-	-	-

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	OTHER REFUNDS	MISCELLANEOUS	TOTAL
2018	\$ -	\$ -	\$ 201,974	\$ -	\$ 275,822	\$ 477,796
2017	-	2,450	243,834	-	120,591	366,875
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

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)		NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL RATE	COUNTY EQUALIZED VALUE
									PUBLIC UTILITIES	\$				
2018	\$ 11,360,300	\$ 504,134,200	N/A	\$ 7,100	\$ 94,165,800	\$ 8,136,400	\$ 19,432,300	\$ 637,236,100	\$ 5,930,958	\$ 643,167,058	\$ 310,996,300	1.307	\$ 612,442,130	
2017	11,546,600	505,288,700	N/A	7,100	94,484,700	8,136,400	19,432,300	638,895,800	5,875,968	644,771,768	311,370,800	1.279	604,526,993	
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	

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		TOWNSHIP OF MOUNT HOLLY			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	REGIONAL SCHOOL	FIRE DISTRICT	BURLINGTON COUNTY	FIRE DISTRICT	BURLINGTON COUNTY	
2018	1.307	-	1.307	0.364	0.097	0.327	0.097	0.327	2.842
2017	1.279	-	1.279	0.361	0.096	0.314	0.096	0.314	2.796
2016	1.230	-	1.230	0.362	0.096	0.310	0.096	0.310	2.797
2015	1.130	-	1.130	0.349	0.091	0.306	0.091	0.306	2.594
2014	1.111	-	1.111	0.354	0.091	0.357	0.091	0.357	2.600
2013	1.092	-	1.092	0.372	0.090	0.366	0.090	0.366	2.558
2012	1.068	-	1.068	0.369	0.090	0.387	0.090	0.387	2.511
2011	2.171	-	2.171	0.747	0.179	0.860	0.179	0.860	5.111
2017	2.127	-	2.127	0.774	0.173	0.830	0.173	0.830	5.059
2009	2.135	-	2.135	0.797	0.172	0.867	0.172	0.867	5.047

Source: Municipal Tax Collector

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

TAXPAYER	2018		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties LLC	\$12,967,000	1	2.12%
Virtua Memorial Hospital	12,663,100	2	2.07%
Mount Holly Associates	10,576,100	3	1.73%
Verizon	8,097,858	4	1.32%
Mount Holly Equities	6,494,400	5	1.06%
Alaimo, Richard A	4,179,300	6	0.68%
Ancor Flexibles, Inc.	3,605,200	7	0.59%
Public Storage Inc	2,349,700	8	0.38%
FRIA Properties, LLC	2,054,500	9	0.34%
Mill Race, Inc	1,911,200	10	0.31%
Total	<u>\$64,898,358</u>		<u>10.60%</u>

TAXPAYER	2009		
	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	
2018	\$ 8,474,755	\$ 8,474,755	100.00%	-
2017	8,126,448	8,126,448	100.00%	-
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%	-

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			
2018	\$ 6,444,000	\$ 25,730	\$ 6,469,730	N/A	N/A
2017	6,699,000	85,928	6,784,928	N/A	N/A
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	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-

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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2018	\$ 6,444,000	\$ -	\$ 6,444,000	-	-
2017	6,699,000	-	6,699,000	-	-
2016	6,939,000	-	6,939,000	-	-
2015	6,939,000	-	6,939,000	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-

- 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, 2018

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 14,411,000	100.000%	\$14,411,000
Rancocas Valley Regional High School	13,073,000	13.740%	1,796,230
Burlington County General Obligation Debt	297,399,680	1.292%	<u>3,842,404</u>
Subtotal, Overlapping Debt			20,049,634
Mount Holly School District			<u>6,444,000</u>
Total Direct & Overlapping Debt			<u><u>\$26,493,634</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 18,024,787	\$ 19,417,430	\$ 19,514,362	\$ 19,581,640	\$ 19,268,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864	\$ 20,335,028	\$ 20,216,000
Total Net Debt Applicable to Limit	6,444,000	6,699,000	6,939,000	6,939,000	-	-	-	-	-	-
Legal Debt Margin	\$ 11,580,787	\$ 12,718,430	\$ 12,575,362	\$ 12,642,640	\$ 19,268,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864	\$ 20,335,028	\$ 20,216,000

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

35.75% 34.50% 35.56% 35.44%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis

2017	\$ 612,442,130
2016	598,845,005
2015	591,191,526

\$ 1,802,478,661

Average Equalized Valuation of Taxable Property

\$ 600,826,220

Debt Limit (3.5% of Average Equalization Value)
Net Bonded School Debt

\$ 18,024,787
6,444,000

Legal Debt Margin

\$ 11,580,787

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

**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
2018	9,645	N/A	N/A	4.2%
2017	9,526	N/A	N/A	4.5%
2016	9,493	N/A	N/A	7.0%
2015	9,490	N/A	55,227	8.5%
2014	9,345	N/A	53,747	10.8%
2013	9,372	N/A	51,785	14.3%
2012	9,555	461,678,490	51,390	13.8%
2011	9,544	452,299,704	49,955	14.1%
2010	10,230	475,654,080	48,047	13.3%
2009	10,271	489,649,383	47,649	7.9%

Source:

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

b Personal income calculated using population and per capita personal income

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

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

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

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

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	49	52	54	55	69	66	72	72	76	92
Special Education	15	13	16	20	28	30	27	23	22	19
Other Special Education	11	11	11	11	16	15	14	14	14	11
Other Instruction	18	17	15	11	11	11	9	9	7	8
Support Services:										
Student & Instruction Related Services	13	14	13	9	9	8	8	8	8	5
School Administrative Services	14	13	14	14	13	13	10	11	11	11
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	13	12	16	13	16	15	14	13	14	15
Total	139	138	145	139	168	164	160	156	158	167

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				
2018	1,035	\$ 21,426,608	\$ 20,702	1.65%	93	1-11.2	1-11.0	1,035	983	3.86%	94.98%
2017	997	20,924,142	20,987	10.79%	93	1-11.3	1-9.8	997	942	1.30%	94.48%
2016	1,004	20,101,210	20,366	11.47%	98	1-10.4	1-10.6	984	934	-1.29%	94.92%
2015	1,020	19,018,659	18,943	6.22%	97	1-10.7	1-8.8	997	921	-0.86%	92.38%
2014	1,040	18,636,658	18,271	2.45%	93	1-10.8	1-10.0	1,006	949	-4.19%	94.33%
2013	981	18,547,057	17,834	-2.12%	103	1-10.2	1-9.9	1,047	977	7.00%	93.31%
2012	993	17,874,514	18,221	-5.26%	102	1-10.2	1-8.7	978	926	-0.79%	94.68%
2011	998	19,097,351	19,232	-2.55%	95	1-12.5	1-7.7	986	929	-2.32%	94.22%
2010	1,019	19,695,528	19,735	1.68%	98	1-12.1	1-7.6	1,009	949	#DIV/0!	94.05%
2009	1,042	19,778,507	19,410	-1.81%	114	1-9.0	1-7.8	990	937	-0.51%	94.62%

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	374	371	349	354	388	390	407	390	379	296
Folwell 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	309	314	325	351	315	328	267	286	308	290
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	352	312	310	272	317	322	318	317	310	433
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, 2016:

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
John Brainerd School	\$ 41,699	\$ 42,099	\$ 24,565	\$ 48,390	\$ 30,115	\$ 28,231	\$ 8,281	\$ 6,475	\$ 20,210	\$ 26,077
Gertrude Folwell School	36,039	33,639	34,063	75,722	56,359	46,045	20,707	17,388	27,219	19,901
F.W. Holbein Schools	44,020	51,608	60,880	62,437	63,460	47,284	89,308	29,596	55,760	59,507
Total School Facilities	\$ 121,758	\$ 127,346	\$ 186,549	\$ 186,549	\$ 149,934	\$ 121,560	\$ 118,296	\$ 53,459	\$ 103,189	\$ 105,485

* 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, 2018**

	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
County of Burlington
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 activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the Mount Holly School District’s basic financial statements, and have issued our report thereon dated February 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 School 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 School 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
February 15, 2019

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 the 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 School District's major federal and state programs for the fiscal year ended June 30, 2018. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 the 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 the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the 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, 2018.

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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.

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

Medford, New Jersey
February 15, 2019

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**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	BALANCE AT JUNE 30, 2018		
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE/ GRANTOR	
U.S. Department of Agriculture												
Pass Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	18181NJ304N1099	Unavailable	\$ 33,571	7/1/17-6/30/18	\$ 3,665	\$ 33,571	\$ (33,654)	-	\$ -	\$ 3,582	
National School Lunch Program	10.555	18181NJ304N1099	100-010-3350-026	281,672	7/1/17-6/30/18	-	259,266	(281,672)	-	(22,406)	-	
National School Lunch Program	10.555	17171NJ304N1099	100-010-3350-026	257,151	7/1/16-6/30/17	(54,429)	-	-	-	-	-	
Healthy Hungry Kids Act	10.555	18181NJ304N1099	100-010-3350-026	7,049	7/1/17-6/30/18	-	6,489	(7,049)	-	(560)	-	
Healthy Hungry Kids Act	10.555	17171NJ304N1099	100-010-3350-026	6,622	7/1/16-6/30/17	(1,383)	-	-	-	-	-	
After School Snack Program	10.555	18181NJ304N1099	100-010-3350-026	24,671	7/1/17-6/30/18	-	23,041	(24,671)	-	(1,630)	-	
After School Snack Program	10.555	17171NJ304N1099	100-010-3350-026	26,300	7/1/16-6/30/17	(4,195)	-	-	-	-	-	
Subtotal						(56,342)	382,374	(347,046)	-	(24,596)	3,582	
National Breakfast Program	10.553	18181NJ304N1099	100-010-3350-028	79,842	7/1/17-6/30/18	-	73,002	(79,842)	-	(6,840)	-	
National Breakfast Program	10.553	17171NJ304N1099	100-010-3350-028	80,405	7/1/16-6/30/17	(15,874)	15,874	-	-	-	-	
Subtotal						(15,874)	88,876	(79,842)	-	(6,840)	-	
Special Milk Program	10.556	18181NJ304N1099	100-010-3350-027	45	7/1/17-6/30/18	-	45	(45)	-	-	-	
Special Milk Program	10.556	17171NJ304N1099	100-010-3350-027	94	7/1/16-6/30/17	(21)	21	-	-	-	-	
Subtotal						(21)	66	(45)	-	-	-	
Total Child Nutrition Cluster						(72,237)	471,316	(426,933)	-	(31,436)	3,582	
Total U.S. Department of Agriculture						(72,237)	471,316	(426,933)	-	(31,436)	3,582	
U.S. Department of Education												
Passed Through New Jersey Department of Education:												
Title I - Part A - Current Year	84.010	S010A170030	100-034-5064-194	462,014	7/1/17-6/30/18	-	386,902	(422,214)	-	(35,312)	-	
Title I - Part A - Prior Year	84.010	S010A160030	100-034-5064-194	466,623	7/1/16-6/30/17	(66,635)	95,602	(28,967)	-	-	-	
Subtotal						(66,635)	482,504	(451,181)	-	(35,312)	-	
Title II - Part A - Current Year	84.367	S367A170029	100-034-5065-290	105,182	7/1/17-6/30/18	-	32,036	(33,644)	-	(1,608)	-	
Title II - Part A - Prior Year	84.367	S367A160029	100-034-5065-290	117,844	7/1/16-6/30/17	(2,651)	13,179	(10,528)	-	-	-	
Subtotal						(2,651)	45,215	(44,172)	-	(1,608)	-	
Title III - Current Year	84.365	S365A170009	100-034-5064-187	10,276	7/1/17-6/30/18	-	5,491	(12,605)	-	(7,114)	-	
Title III - Prior Year	84.365	S365A160009	100-034-5064-187	9,194	7/1/16-6/30/17	(5,864)	5,864	-	-	-	-	
Subtotal						(5,864)	11,355	(12,605)	-	(7,114)	-	
Title IV - Part A - Current Year	84.424	S424A180031	100-034-5069-031	10,000	7/1/17-6/30/18	-	9,183	(9,790)	-	(607)	-	
Race To The Top Preschool	84.419	B413A120008	100-034-5069-031	439,829	7/1/17-6/30/18	-	403,074	(437,096)	-	(34,022)	-	
Race To The Top Preschool	84.419	B413A120008	100-034-5069-031	403,759	7/1/16-6/30/17	(29,672)	29,712	(40)	-	-	-	
Subtotal						(29,672)	432,786	(437,136)	-	(34,022)	-	
I.D.E.A. Part B (Special Education Cluster)	84.027	H027A170100	100-034-5065-016	375,472	7/1/17-6/30/18	-	365,515	(371,365)	-	(5,850)	-	
Basic - Current Year	84.027	H027A160100	100-034-5065-016	395,507	7/1/16-6/30/17	(6,276)	20,432	(14,156)	-	-	-	
Subtotal						(6,276)	385,947	(385,521)	-	(5,850)	-	
Preschool - Current Year	84.173	H173A170114	100-034-5065-020	10,839	7/1/17-6/30/18	-	10,839	(10,839)	-	-	-	
Total Special Education Cluster						(6,276)	396,786	(396,560)	-	(5,850)	-	
Total Department of Education						(111,098)	1,377,829	(1,351,244)	-	(84,513)	-	
U.S. Department of Health and Human Services												
Passed Through New Jersey Department of Human Services:												
Medical Assistance Program (SEM)	93.778	1805N5M4P	100-054-7540-211	72,359	7/1/17-6/30/18	-	72,359	(72,359)	-	-	-	
Total U.S. Department of Health and Human Services						-	72,359	(72,359)	-	-	-	
Total U.S. Department of Education						(111,098)	1,450,188	(1,423,603)	-	(84,513)	-	
Total Federal Financial Assistance						(183,335)	1,921,504	(1,850,536)	-	(115,949)	3,582	

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/ PROGRAM TITLE	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	BALANCE AT JUNE 30, 2018		MEMO			
									UNEARNED REVENUE	DUETO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES		
State Department of Education:														
General Fund:														
Equitation Aid	495-034-5120-078	\$8,048,990	7/01/7-6/30/18	-	-	\$ 8,048,990	\$ (8,048,990)	-	-	\$ -	\$ -	\$ 701,604	\$ 8,048,990	
Adjustment Aid	495-034-5120-085	1,025,803	7/01/7-6/30/18	-	-	1,025,803	(1,025,803)	-	-	-	-	-	89,416	
Categorical Special Aid	495-034-5120-084	267,312	7/01/7-6/30/18	-	-	267,312	(267,312)	-	-	-	-	-	23,301	
Parrot Care Program	495-034-5120-089	546,275	7/01/7-6/30/18	-	-	546,275	(546,275)	-	-	-	-	-	47,617	
PARCC Readiness Aid	495-034-5120-098	9,550	7/01/7-6/30/18	-	-	9,550	(9,550)	-	-	-	-	-	832	
Per-Pupil Growth Aid	495-034-5120-097	9,550	7/01/7-6/30/18	-	-	9,550	(9,550)	-	-	-	-	-	9,550	
Professional Learning Community Aid	495-034-5120-091	9,420	7/01/7-6/30/18	-	-	9,420	(9,420)	-	-	-	-	-	9,420	
Total State Aid Public														
Categorical Transportation Aid	495-034-5120-014	127,355	7/01/7-6/30/18	-	-	127,355	(127,355)	-	-	-	-	-	127,355	
Lead Testing	495-034-5120-104	3,427	7/01/7-6/30/18	-	-	3,427	(3,427)	-	-	-	-	-	3,427	
Reimbursement of Nonpublic	18-103190	6,670	7/01/7-6/30/18	-	-	-	(6,670)	-	-	-	-	-	6,670	
Reimbursement of Nonpublic	17-103190	3,480	7/01/6-6/30/17	(3,840)	-	3,840	-	-	-	-	-	-	-	
Transportation	100-034-5120-473	79,076	7/01/7-6/30/18	(83,392)	-	83,392	(79,076)	-	-	(79,076)	-	-	79,076	
Extraordinary Aid	100-034-5120-473	83,392	7/01/7-6/30/18	(83,392)	-	83,392	-	-	-	-	-	-	-	
Homeless Tuition Aid	N/A	90,193	7/01/7-6/30/18	(121,756)	-	121,756	(90,193)	-	-	(90,193)	-	-	90,193	
Homeless Tuition Aid	N/A	121,756	7/01/7-6/30/17	(121,756)	-	-	-	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5094-003	585,197	7/01/7-6/30/18	-	-	556,728	(585,197)	-	-	(28,469)	-	-	585,197	
Reimbursed TPAF Social Security Contributions (Budgeted)	100-034-5094-003	579,754	7/01/6-6/30/17	(28,222)	-	28,222	-	-	-	-	-	-	-	
Noncash Assistance:														
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	2,384	7/01/7-6/30/18	-	-	2,384	(2,384)	-	-	-	-	-	2,384	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	1,180,888	7/01/7-6/30/18	-	-	1,180,888	(1,180,888)	-	-	-	-	-	1,180,888	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	762,711	7/01/7-6/30/18	-	-	762,711	(762,711)	-	-	-	-	-	762,711	
Total General Fund														
				(232,210)	-	12,787,603	(12,754,801)	-	-	(204,408)	-	-	875,525	12,754,801
Special Revenue Fund:														
New Jersey Nonpublic Aid:														
Textbook Aid	100-034-5120-064	8,765	7/01/7-6/30/18	-	-	8,765	(8,574)	-	-	-	-	191	8,574	
Textbook Aid	100-034-5120-064	9,453	7/01/6-6/30/17	1,001	-	-	(1,001)	-	-	-	-	-	-	
Nursing Aid	100-034-5120-070	15,520	7/01/7-6/30/18	-	-	15,520	(15,520)	-	-	-	-	-	15,520	
Security Aid	100-034-5120-069	12,000	7/01/7-6/30/18	-	-	12,000	(5,359)	-	-	-	-	-	5,359	
Security Aid	100-034-5120-509	12,000	7/01/7-6/30/18	-	-	12,000	-	-	-	-	-	12,000	-	
Auxiliary Services:														
Compensatory Education	100-034-5120-067	18,957	7/01/7-6/30/18	-	-	18,957	(18,868)	-	-	(89)	-	-	18,868	
Compensatory Education	100-034-5120-067	15,855	7/01/6-6/30/17	1,253	-	-	(1,253)	-	-	-	-	-	-	
Handicapped Services:														
Examination & Classification	100-034-5120-066	16,744	7/01/7-6/30/18	-	-	16,744	(14,198)	-	-	-	-	2,546	14,198	
Examination & Classification	100-034-5120-066	9,372	7/01/7-6/30/18	362	-	-	(362)	-	-	-	-	-	-	
Vertical Speech	100-034-5120-067	16,668	7/01/6-6/30/17	2,245	-	12,499	(4,464)	-	-	-	-	-	4,464	
Supplemental Instruction	100-034-5120-066	10,602	7/01/7-6/30/18	-	-	9,516	(7,245)	-	-	-	-	-	9,516	
Supplemental Instruction	100-034-5120-066	9,516	7/01/6-6/30/17	6,984	-	-	(6,984)	-	-	-	-	-	-	
Supplemental Instruction	100-034-5120-066	8,632	7/01/7-6/30/18	-	-	8,632	-	-	-	-	-	-	-	
Early Childhood Program Aid	100-034-5120-025	583,288	7/01/7-6/30/18	-	-	161,035	-	-	-	161,035	-	-	-	
				16,845	161,035	99,921	(66,983)	-	-	161,035	-	32,938	-	66,983
Capital Projects Fund:														
Capital Projects Fund:														
ROD Gmt	GS-5003	1,421,025	7/01/3-6/30/18	(72,028)	-	72,028	-	-	-	-	-	-	-	
ROD Gmt	GS-5004	50,150	7/01/3-6/30/18	(24,970)	-	24,970	-	-	-	-	-	-	-	
ROD Gmt	GS-5005	208,192	7/01/3-6/30/18	(9,981)	-	9,981	-	-	-	-	-	-	-	
ROD Gmt	GS-5006	265,563	7/01/3-6/30/18	(12,271)	-	12,271	-	-	-	-	-	-	-	
ROD Gmt	GS-6194	621,605	7/01/3-6/30/18	(269,467)	-	269,467	-	-	-	-	-	-	-	
ROD Gmt	GS-5007	3,408,058	7/01/3-6/30/18	(171,178)	-	171,178	-	-	-	-	-	-	-	
ROD Gmt	GS-5008	5,245,132	7/01/3-6/30/18	(236,739)	-	236,739	-	-	-	-	-	-	-	
ROD Gmt	GS-5009	387,678	7/01/3-6/30/18	(85,770)	-	85,770	-	-	-	-	-	-	6,570	
ROD Gmt	GS-5010	462,866	7/01/3-6/30/18	(108,710)	-	108,710	-	-	-	-	-	-	-	
				(898,774)	905,344	(6,570)	(6,570)	-	-	(6,570)	-	-	-	6,570
Enterprise Fund:														
Enterprise Fund:														
State School Lunch Program	100-010-3360-067	6,301	7/01/7-6/30/18	-	-	5,800	(6,301)	-	-	(50)	-	-	6,301	
State School Lunch Program	100-010-3360-067	5,601	7/01/6-6/30/17	(1,174)	-	1,174	-	-	-	-	-	-	-	
				(1,174)	-	6,974	(6,301)	-	-	(50)	-	-	-	6,301
				\$(1,120,313)	\$ 161,035	\$ 13,799,842	\$(12,834,655)	\$ -	\$ -	\$(16,845)	\$ (204,909)	\$ 161,035	\$ 32,938	\$ 875,525
				\$(12,834,655)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,834,655
Total State Financial Assistance														
State Financial Assistance Programs not subject to Calculation for Major Program Determination:														
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	2,384	7/01/7-6/30/18	-	-	2,384	-	2,384	-	-	-	-	-	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	1,180,888	7/01/7-6/30/18	-	-	1,180,888	-	1,180,888	-	-	-	-	-	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	762,711	7/01/7-6/30/18	-	-	762,711	-	762,711	-	-	-	-	-	
				\$(10,888,672)	-	-	\$(10,888,672)	-	-	-	-	-	-	-

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Mount Holly School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent 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 School District for the year ended June 30, 2018. 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, 2018.

Note 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 SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 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 (\$1,530) for the general fund and \$9,153 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 72,359	\$ 12,753,271	\$ 12,825,630
Special Revenue Fund	1,351,244	76,136	1,427,380
Capital Projects Fund	-	6,570	6,570
Food Service Fund	426,850	6,301	433,151
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,850,453</u>	<u>\$ 12,842,278</u>	<u>\$ 14,692,731</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Mount Holly School District had no loan balances outstanding at June 30, 2018.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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? _____ yes X no

 2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

 1) Material weakness(es) identified? _____ yes X no

 2) Significant deficiency(ies) identified? _____ yes X 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 Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.010 _____	_____ S010A170030 _____	_____ Title I- Part A _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____ \$750,000.00 _____

Auditee qualified as low-risk auditee? X yes _____ no

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$750,000.00 _____

Auditee qualified as low-risk auditee? _____ X _____ yes _____ no

Internal control over major programs:

 1) Material weakness(es) identified? _____ yes _____ X _____ no

 2) Significant deficiency(ies) identified? _____ yes _____ X _____ no

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 New Jersey OMB's Circular 15-08? _____ yes _____ X _____ no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____ 495-034-5120-078 _____	_____ Equalization Aid _____
_____ 495-034-5120-085 _____	_____ Adjustment Aid _____
_____ 495-034-5120-084 _____	_____ Categorical Security Aid _____
_____ 495-034-5120-089 _____	_____ Categorical Special Education Aid _____
_____ 495-034-5120-098 _____	_____ PARCC Readiness Aid _____
_____ 495-034-5120-097 _____	_____ Per Pupil Growth Aid _____
_____ 495-034-5120-101 _____	_____ Professional Learning Community Aid _____
_____ _____	_____ _____

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.

None.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.