

**MOUNT HOLLY  
SCHOOL DISTRICT**

Mount Holly, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**MOUNT HOLLY SCHOOL DISTRICT**

**MOUNT HOLLY, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Prepared by**

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

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**INTRODUCTORY SECTION**

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331 Levis Drive  
Mount Holly, NJ 08060

School Business Administrator  
Board Secretary

January 8, 2021

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, 2020, 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, 2020, 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>
2019-2020	1,078	3.45%
2018-2019	1,042	0.68%
2017-2018	1,035	3.81%
2016-2017	997	-0.70%
2015-2016	1,004	-1.57%
2014-2015	1,020	-1.92%
2013-2014	1,040	6.01%
2012-2013	981	-1.21%
2011-2012	993	-0.50%
2010-2011	998	-4.22%

**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 renewing its Strategic Plan, as we close the chapter on the previous plan. As always, the plan will focus on providing an excellent educational experience for every student. The imperative goals include:

## **MAJOR INITIATIVES (continued)**

- One District One Community. The District is focused on aligning its three schools through curricula and systemic processes.
- College and Career Readiness. The District is focused on implementing high quality Language Arts Mathematics and STEM programs, multiple tiered systems of supports, and ensuring students are immersed in student-driven learning guided by New Jersey Student Learning Standards.
- Learning Environment. The District is focused on establishing an environment conducive to optimal social and emotional supports.
- 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 technology infrastructures and technology implementations to further student knowledge, safety, and security.

## **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.

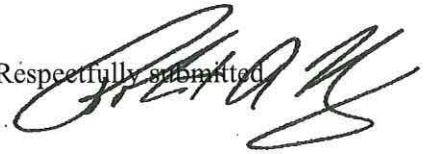
**OTHER INFORMATION**

*INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., 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  


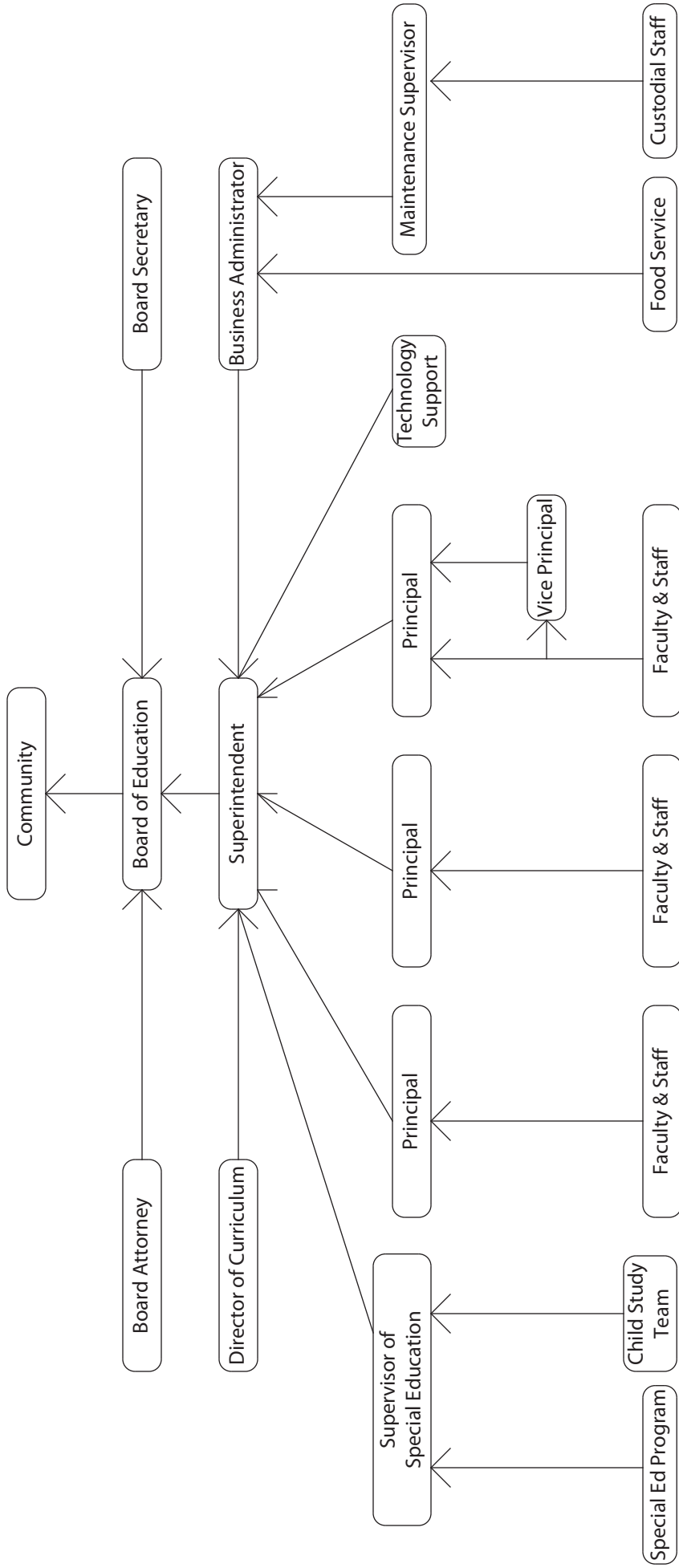
\_\_\_\_\_  
Robert Mungo  
Superintendent of Schools

  
\_\_\_\_\_  
Evon DiGangi, CPA  
School Business Administrator & Board Secretary

# MOUNT HOLLY SCHOOL DISTRICT

## 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, 2020**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Janet DiFolco, President	2021
Jennifer Mushinsky, Vice President	2022
William Monk	2022
Nicholas Fury	2021
Jim Logue	2020

**OTHER OFFICIALS**

James E. DiDonato, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Cameron R. Morgan Esq., Solicitor

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**MOUNT HOLLY SCHOOL DISTRICT**

331 Levis Drive  
Mount Holly, New Jersey 08060

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

David McNally, CPA, PSA  
Holt McNally & Associates, Inc.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Cameron R. Morgan, Esq.  
Capehart Sctchard  
8000 Midlantic Dr, Ste 300S, POB 5016  
Mt. Laurel, New Jersey 08054

**OFFICIAL DEPOSITORY**

Investors Bank  
Iselin, NJ

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**FINANCIAL SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## **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, 2020, 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 and requirements 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.

618 Stokes Road, Medford, NJ 08055

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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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions & 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 and individual fund statements long-term debt 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 not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 and 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 combining and individual fund statements and long-term debt schedules and the 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 January 8, 2021 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 the effectiveness of the School District's 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,

**HOLT MCNALLY & ASSOCIATES, INC.**

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 8, 2021

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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, 2020  
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, 2020. 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 (2019-20) and the prior year (2018-19) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- ⇒ Total assets and deferred outflows of resources increased by \$719,335 as cash and cash equivalents increased by \$847,371, receivables increased by \$228,782, net capital assets increased by \$1,076,153 and Deferred Outflows Related to Pensions decreased by \$356,818.
- ⇒ General Fund revenues accounted for \$22,568,296 in revenue, or 90 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$2,247,044 or 9 percent of all revenues. Capital projects in the form of State grants and interest, accounted for \$5,202 or less than 1 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$293,191 or 1 percent of all revenues. Total revenues were \$25,113,733.
- ⇒ The School District's governmental funds had a combined \$24,050,716 in total expenditures; \$11,326,368 of which represents salaries for the district or approximately 47% of expenditures for the fiscal year ending June 30, 2020.
- ⇒ The Food Service Enterprise Fund had an increase in net position of \$36,238 in 2020 compared to an increase of \$23,533 in 2019.
- ⇒ The total Fund Balance per Governmental funds was \$10,011,347. The School District expended \$1,195,000 out of capital reserve and added \$1,251,318 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 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

**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 2020?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting, takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

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

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

**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 55 to 90 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 2020 and 2019.

The District's combined net position was \$27,515,685 on June 30, 2020. This was an increase of 5.99% from the prior year.

TABLE I - NET POSITION

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
<b>ASSETS</b>				
Current Assets	\$ 10,403,627	\$ 9,556,256	\$ 181,607	\$ 133,637
Capital Assets, Net	29,091,011	28,862,229	8,966	8,966
<b>Total Assets</b>	<b>39,494,638</b>	<b>38,418,485</b>	<b>190,573</b>	<b>142,603</b>
Deferred Outflows of Resources	662,838	1,019,656	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 40,157,476</b>	<b>\$ 39,438,141</b>	<b>\$ 190,573</b>	<b>\$ 142,603</b>
<b>LIABILITIES</b>				
Current Liabilities	\$ 690,669	\$ 1,073,269	\$ 18,216	\$ 6,484
Noncurrent Liabilities	10,368,566	10,832,975	-	-
<b>Total Liabilities</b>	<b>11,059,235</b>	<b>11,906,244</b>	<b>18,216</b>	<b>6,484</b>
Deferred Inflows of Resources	1,754,913	1,707,265	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>12,814,148</b>	<b>13,613,509</b>	<b>18,216</b>	<b>6,484</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	23,143,204	22,633,285	8,966	8,966
Restricted	10,077,233	8,734,412	-	-
Unrestricted	(5,877,109)	(5,543,065)	163,391	127,153
<b>Total Net Position</b>	<b>\$ 27,343,328</b>	<b>\$ 25,824,632</b>	<b>\$ 172,357</b>	<b>\$ 136,119</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

Table 2 shows changes in net position for fiscal year 2020 and 2019.

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 99,337	\$ 122,043
Operating Grants & Contributions	6,287,996	6,811,778	365,827	413,004
General Revenues				
Property Taxes	8,594,216	8,432,729	-	-
Grants & Entitlements	10,623,673	10,399,158	-	-
Other	724,496	528,224	2,916	3,242
<b>Total Revenues</b>	<b>26,230,381</b>	<b>26,171,889</b>	<b>468,080</b>	<b>538,289</b>
Expenses:				
Instruction	9,038,165	8,314,663	-	-
Tuition	1,259,226	1,359,788	-	-
Related Services	2,469,242	2,313,927	-	-
General & School Administrator	1,177,390	1,187,111	-	-
Central Services	557,810	517,673	-	-
Operations & Maintenance	1,808,375	2,355,571	-	-
Transportation	316,473	431,478	-	-
Employee Benefits	6,924,435	7,888,459	-	-
Food Service	-	-	431,842	514,756
Other	1,160,569	1,298,977	-	-
<b>Total Expenses</b>	<b>24,711,685</b>	<b>25,667,647</b>	<b>431,842</b>	<b>514,756</b>
<b>Increase in Net Position before Transfers</b>	<b>1,518,696</b>	<b>504,242</b>	<b>36,238</b>	<b>23,533</b>
<b>Changes in Net Position</b>	<b>1,518,696</b>	<b>504,242</b>	<b>36,238</b>	<b>23,533</b>
Net Position- July 1	25,824,632	25,320,390	136,119	112,586
<b>Net Position- June 30</b>	<b>\$ 27,343,328</b>	<b>\$ 25,824,632</b>	<b>\$ 172,357</b>	<b>\$ 136,119</b>

**Governmental Activities**

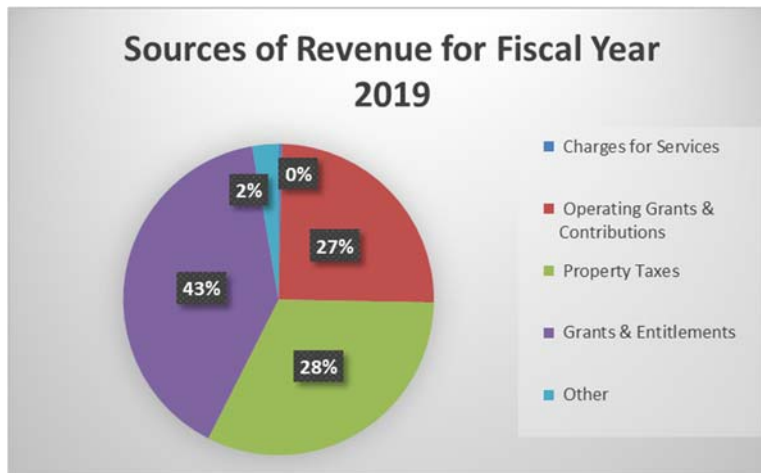
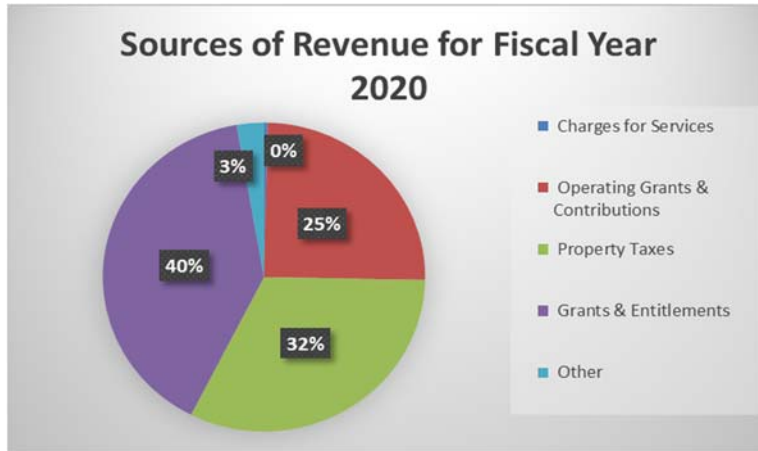
Property taxes made up 33% of revenues for fiscal year 2020 and 32% for fiscal year 2019. The District's total revenue for governmental activities was \$26,230,381 for the year ended June 30, 2020. Federal and state aid, accounted for another 65% of revenue.



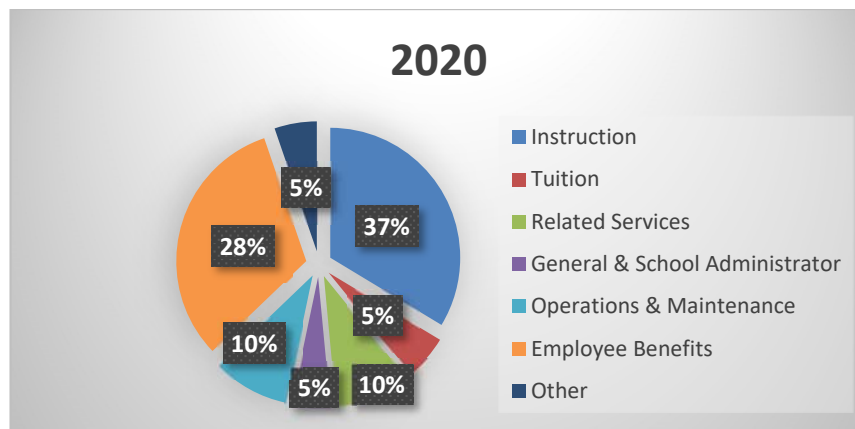
**MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT  
MOUNT HOLLY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

**Governmental Activities (continued)**



The total cost of all programs and services was \$24,711,685. Instruction and Benefits comprised 65% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

**Business-Type Activities**

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

- Food service revenues exceeded expenses by \$36,238.
- Charges for services represent \$99,337 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 \$365,827.

**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

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services Services 2019</u>
Instruction	\$ 9,038,165	\$ 7,342,236	\$ 8,314,663	\$ 7,162,802
Support Services:				
Pupils and Instructional Staff	3,728,468	3,177,353	3,673,715	3,059,673
Administration	1,735,200	1,735,200	1,704,784	1,704,784
Operations and Maintenance	1,808,375	1,808,375	2,355,571	2,355,571
Pupil Transportation	316,473	316,473	431,578	431,578
Employee Benefits	6,924,435	2,883,483	7,888,459	2,842,584
Other	1,160,569	1,160,569	1,298,977	1,298,977
Total Expenses	<u>\$ 24,711,685</u>	<u>\$ 18,423,689</u>	<u>\$ 25,667,747</u>	<u>\$ 18,855,969</u>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED (Continued)**

**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 and other financing sources amounted to \$25,223,733 and expenditures were \$24,050,716 in 2020. The net change in fund balance for the year was most significant in the General Fund – an increase of \$1,347,514. 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 \$544,287.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$261,262 and special education budgeted cost exceeded actual expenses by \$241,470.
- ❖ Budgeted tuition cost exceeded actual by approximately \$369,609.
- ❖ Budgeted administrative costs exceeded actual by approximately \$62,602. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$259,694 less than budgeted due to the utilization of purchasing through Co-operatives.

**Capital Assets**

At the end of the fiscal year 2020, the School District had \$29,099,977 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 4 shows fiscal year 2020 balances compared to 2019.

Table 4 Net Investment in Capital Assets

	2020	2019
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Building Improvements	25,412,501	24,568,916
Equipment	3,894,865	3,738,723
Less: Accumulated Depreciation:	(10,002,855)	(9,231,910)
	29,091,011	28,862,229
Business-Type Activities:		
Equipment	301,330	301,330
Less: Accumulated Depreciation:	(292,364)	(292,364)
	8,966	8,966
Total Capital Assets	\$ 29,099,977	\$ 28,871,195

Overall capital assets increased \$228,782 from fiscal year 2019 to fiscal year 2020. The increase in capital assets is caused by building renovations and asset purchases. For more detailed information, please refer to **Note 5** to the Basic Financial Statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
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](http://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, 2020**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,782,009	\$ 148,046	\$ 3,930,055
Receivables, Net (Note 4)	413,750	12,315	426,065
Inventory	-	21,246	21,246
Restricted Cash & Cash Equivalents	6,207,868	-	6,207,868
Capital Assets, Net (Note 5)			
Non-depreciable	9,786,500	-	9,786,500
Depreciable	19,304,511	8,966	19,313,477
<b>Total Assets</b>	<b>39,494,638</b>	<b>190,573</b>	<b>39,685,211</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to Pensions (Note 8)	662,838	-	662,838
<b>Total Deferred Outflow of Resources</b>	<b>662,838</b>	<b>-</b>	<b>662,838</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>40,157,476</b>	<b>190,573</b>	<b>40,348,049</b>
<b>LIABILITIES</b>			
Accounts Payable	79,510	-	79,510
Due to Other Governments	241,790	-	241,790
Unearned Revenue	282,600	18,216	300,816
Accrued Interest	86,769	-	86,769
Noncurrent Liabilities (Note 7):			
Due Within One Year	429,580	-	429,580
Due in more than one year	9,938,986	-	9,938,986
<b>Total Liabilities</b>	<b>11,059,235</b>	<b>18,216</b>	<b>11,077,451</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Related to Pensions (Note 8)	1,754,913	-	1,754,913
<b>Total Deferred Inflow of Resources</b>	<b>1,754,913</b>	<b>-</b>	<b>1,754,913</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>12,814,148</b>	<b>18,216</b>	<b>12,832,364</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,143,204	8,966	23,152,170
Restricted For:			
Capital Projects	4,995,086	-	4,995,086
Debt Service	19,365	-	19,365
Emergency Reserve	250,000	-	250,000
Maintenance Reserve	962,782	-	962,782
Excess Surplus	3,850,000	-	3,850,000
Unrestricted (Deficit)	(5,877,109)	163,391	(5,713,718)
<b>Total Net Position</b>	<b>\$ 27,343,328</b>	<b>\$ 172,357</b>	<b>\$ 27,515,685</b>

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, 2020**

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	\$ 6,262,749	\$ -	\$ 1,695,929	\$ (4,566,820)	\$ -	\$ (4,566,820)
Special Education	2,305,417	-	-	(2,305,417)	-	(2,305,417)
Other Instruction	469,999	-	-	(469,999)	-	(469,999)
Support Services & Undistributed Costs:						
Tuition	1,259,226	-	-	(1,259,226)	-	(1,259,226)
Student & Instruction Related Services	2,469,242	-	551,115	(1,918,127)	-	(1,918,127)
General Administrative Services	443,119	-	-	(443,119)	-	(443,119)
School Administrative Services	734,271	-	-	(734,271)	-	(734,271)
Central Services	557,810	-	-	(557,810)	-	(557,810)
Plant Operations & Maintenance	1,808,375	-	-	(1,808,375)	-	(1,808,375)
Pupil Transportation	316,473	-	-	(316,473)	-	(316,473)
Unallocated Employee Benefits	3,465,823	-	582,340	(2,883,483)	-	(2,883,483)
On Behalf TPAF Pension and Social Security Contributions	3,458,612	-	3,458,612	-	-	-
Interest & Other Changes in Long-Term Debt	287,936	-	-	(287,936)	-	(287,936)
Unallocated Depreciation & Amortization	872,633	-	-	(872,633)	-	(872,633)
Total Governmental Activities	24,711,685	-	6,287,996	(18,423,689)	-	(18,423,689)
Business-Type Activities:						
Food Service	431,842	99,337	365,827	-	33,322	33,322
Total Business-Type Activities	431,842	99,337	365,827	-	33,322	33,322
Total Primary Government	\$ 25,143,527	\$ 99,337	\$ 6,653,823	(18,423,689)	33,322	(18,390,367)

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, 2020**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	8,594,216	-	8,594,216
Federal & State Aid Not Restricted	10,623,673	-	10,623,673
Tuition	544,287	-	544,287
Interest Earnings	7,077	2,916	9,993
Miscellaneous Income	173,132	-	173,132
Total General Revenues, Special Items, Extraordinary Items & Transfers	19,942,385	2,916	19,945,301
Change In Net Position	1,518,696	36,238	1,554,934
Net Position - Beginning	25,824,632	136,119	25,960,751
Net Position - Ending	27,343,328	\$ 172,357	\$ 27,515,685

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, 2020**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 2,828,053	\$ 294,272	\$ 397,624	\$ 262,060	\$ 3,782,009
Receivables, Net:					
Other Receivable	276,832	4,801	-	-	281,633
Due from Other Governments:					
State	108,825	-	-	-	108,825
Federal	-	23,228	-	-	23,228
Interfund Receivable	247,961	-	-	5,202	253,163
Restricted Cash & Cash Equivalents	6,207,868	-	-	-	6,207,868
<b>Total Assets</b>	<b>\$ 9,669,539</b>	<b>\$ 322,301</b>	<b>\$ 397,624</b>	<b>\$ 267,262</b>	<b>\$ 10,656,726</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Liabilities:					
Interfund Payable	\$ -	\$ -	\$ 5,202	\$ 247,897	\$ 253,099
Accounts Payable	69,979	9,531	-	-	79,510
Due to Other Governments	-	30,170	-	-	30,170
Unearned Revenue	-	282,600	-	-	282,600
<b>Total Liabilities</b>	<b>69,979</b>	<b>322,301</b>	<b>5,202</b>	<b>247,897</b>	<b>645,379</b>
Fund Balances:					
Restricted for:					
Excess Surplus	2,250,000	-	-	-	2,250,000
Capital Reserve Account	4,995,086	-	-	-	4,995,086
Emergency Reserve	250,000	-	-	-	250,000
Maintenance Reserve	962,782	-	-	-	962,782
Excess Surplus - Designated for Subsequent Year's Expenditures	1,600,000	-	-	-	1,600,000
Committed for:					
Capital Projects	-	-	392,422	-	392,422
Assigned to:					
Other Purposes	162,713	-	-	-	162,713
Debt Service Fund	-	-	-	19,365	19,365
Unassigned:					
General Fund	(621,021)	-	-	-	(621,021)
<b>Total Fund Balances</b>	<b>9,599,560</b>	<b>-</b>	<b>392,422</b>	<b>19,365</b>	<b>10,011,347</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 9,669,539</b>	<b>\$ 322,301</b>	<b>\$ 397,624</b>	<b>\$ 267,262</b>	

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 \$39,093,866 and the accumulated depreciation is \$10,002,855.	29,091,011
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.	(211,620)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(86,769)
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.	(1,092,075)
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)	(10,368,566)
<b>Net Position of Governmental Activities</b>	<b>\$ 27,343,328</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,302,900	\$ -	\$ -	\$ 291,316	\$ 8,594,216
Tuition Charges	544,287	-	-	-	544,287
Interest Earned	-	-	5,202	1,875	7,077
Miscellaneous	173,132	5,813	-	-	178,945
Total Local Sources	9,020,319	5,813	5,202	293,191	9,324,525
State Sources	13,515,100	1,407,437	-	-	14,922,537
Federal Sources	32,877	833,794	-	-	866,671
Total Revenues	22,568,296	2,247,044	5,202	293,191	25,113,733
Expenditures:					
Instruction:					
Regular	\$ 4,595,440	\$ 1,667,309	\$ -	\$ -	\$ 6,262,749
Special Education	2,305,417	-	-	-	2,305,417
Other Instruction	469,999	-	-	-	469,999
Support Services & Undistributed Costs:					
Tuition	1,259,226	-	-	-	1,259,226
Student & Instruction Related Services	1,918,127	551,115	-	-	2,469,242
General Administrative Services	443,119	-	-	-	443,119
School Administrative Services	734,271	-	-	-	734,271
Central Services	557,810	-	-	-	557,810
Plant Operations & Maintenance	2,026,773	-	-	-	2,026,773
Pupil Transportation	316,473	-	-	-	316,473
Unallocated Employee Benefits	5,730,316	-	-	-	5,730,316
Debt Service:					
Principal	-	-	-	285,000	285,000
Interest & Other Charges	13,277	-	-	187,890	201,167
Capital Outlay	960,534	28,620	-	-	989,154
Total Expenditures	21,330,782	2,247,044	-	472,890	24,050,716
Other Financing Sources\ (Uses):					
Capital Leases (Non-Budgeted)	110,000	-	-	-	110,000
Transfer (In)/(Out)	-	-	(5,202)	5,202	-
Total Other Financing Sources\ (Uses)	110,000	-	(5,202)	5,202	110,000
Net Change in Fund Balances	1,347,514	-	-	(174,497)	1,173,017
Fund Balance - July 1	8,252,046	-	392,422	193,862	8,838,330
Fund Balance - June 30	\$ 9,599,560	\$ -	\$ 392,422	\$ 19,365	\$ 10,011,347

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, 2020**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,173,017

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	\$ (867,190)	
Net Deletion of Capital Assets	(5,443)	
Capital Outlay	1,101,415	228,782

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. 285,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. (110,000)

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. 106,137

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. (40,505)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. (86,769)

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	(616,107)	
Prior Year	579,141	(36,966)

Change in Net Position of Governmental Activities \$ 1,518,696

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

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## Proprietary Funds

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**MOUNT HOLLY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 148,046
Intergovernmental Accounts Receivables	12,315
Inventories	21,246
	<hr/>
Total Current Assets	181,607
	<hr/>
Fixed Assets:	
Equipment	301,330
Less: Accumulated Depreciation	(292,364)
	<hr/>
Total Fixed Assets	8,966
	<hr/>
Total Assets	190,573
	<hr/>
<b>LIABILITIES</b>	
Unearned Revenue	18,216
	<hr/>
Total Liabilities	18,216
	<hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	8,966
Unrestricted Net Position	163,391
	<hr/>
Total Net Position	\$ 172,357
	<hr/> <hr/>

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, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 74,282
Daily Sales - Non-Reimbursable Programs	22,610
Special Functions	2,445
	<hr/>
Total Operating Revenues	99,337
	<hr/>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	157,613
Cost of Sales- Non-Reimbursable Programs	53,792
Salaries and Benefits	159,968
Supplies & Materials	12,534
Management Fee	30,600
Direct Services	17,335
	<hr/>
Total Operating Expenses	431,842
	<hr/>
Operating Income/(Loss)	(332,505)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	6,358
Federal Sources:	
National School Lunch Program	234,809
National School Breakfast Program	75,946
Food Distribution Program	33,729
Healthy Hungry Kids Act	6,223
After School Snack	8,762
Interest Revenue	2,916
	<hr/>
Total Nonoperating Revenues/(Expenses)	368,743
	<hr/>
Net Income/(Loss)	36,238
Net Position - July 1	136,119
	<hr/>
Net Position - June 30	\$ 172,357
	<hr/> <hr/>

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



**MOUNT HOLLY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 144,798
Payments to Employees	(159,968)
Payments to Suppliers	(405,286)
	(420,456)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	341,848
	341,848
Cash Flows From Investing Activities:	
Interest & Dividends	2,916
	2,916
Net Increase/(Decrease) in Cash & Cash Equivalents	(75,692)
Balances - Beginning of Year	223,738
Balances - End of Year	\$ 148,046
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	\$ (332,505)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Food Distribution Program	33,729
(Increase)/Decrease in Inventories	(11,113)
Increase/(Decrease) in Interfund Payable	(122,299)
Increase/(Decrease) in Unearned Revenues	11,732
	(87,951)
Total Adjustments	(87,951)
Net Cash Provided/(Used) by Operating Activities	\$ (420,456)

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, 2020**

ASSETS	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>	AGENCY FUND	<u>TOTALS JUNE 30, 2020</u>
Cash & Cash Equivalents	\$ 181,633	\$ 10,191	\$ 191,824
Total Assets	<u>181,633</u>	<u>10,191</u>	<u>191,824</u>
<b>LIABILITIES</b>			
Interfund Payable	-	64	64
Due to Student Groups	-	10,127	10,127
Total Liabilities	<u>-</u>	<u>10,191</u>	<u>10,191</u>
<b>NET POSITION</b>			
Reserve for Unemployment Compensation	<u>181,633</u>	-	<u>181,633</u>
Total Net Position	<u>\$ 181,633</u>	<u>\$ -</u>	<u>\$ 181,633</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, 2020**

	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee Contributions	<u>\$ 18,565</u>
Total Contributions	<u>18,565</u>
Investment Earnings:	
Interest	<u>2,192</u>
Net Investment Earnings	<u>2,192</u>
Total Additions	<u>20,757</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>26,561</u>
Total Deductions	<u>26,561</u>
Change in Net Position	(5,804)
Net Position - July 1	<u>187,437</u>
Net Position - June 30	<u><u>\$ 181,633</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, 2020**

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# MOUNT HOLLY SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020

### Note 1. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The financial statements of the Mount Holly Township 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 Township 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 Township School District has an approximate enrollment at June 30, 2020 of 1,078 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, and GASB 80, Blending Requirements for certain component units – and Amendment of GASB Statement No. 14. The District had no component units as of or for the year ended June 30, 2020.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (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, 2020 (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, 2020 (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, 2020 (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, 2020 (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, 2020 (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, 2020 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, 2020 (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, 2020 (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), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

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

- 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, 2020.
- 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, 2020 (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, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

#### **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

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

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

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 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, 2020, the School District’s bank balance of \$10,810,393 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 10,586,546
Uninsured and Uncollateralized	<u>223,847</u>
	<u>\$ 10,810,393</u>

**Investments**

The School District had no investments at June 30, 2020.

**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, 2019 to June 30, 2020 fiscal year is as follows:

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 3. Reserve Accounts (continued)**

Beginning Balance, July 1, 2019	\$	4,938,768
Increased by:		
Deposits approved by Board		1,251,318
		6,190,086
Decreased by:		
Budget Withdrawals		(1,195,000)
Ending Balance, June 30, 2020	\$	4,995,086

The LRFPP balance of local support costs of uncompleted capital projects at June 30, 2020 is \$21,236,439. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the School District’s Long Rang Facilities Plan.

**Maintenance Reserve**

Mount Holly Township 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.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	651,782
Increased by:		
Deposits approved by Board		400,000
		1,051,782
Decreased by:		
Budget Withdrawals		(89,000)
Ending Balance, June 30, 2020	\$	962,782

**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 emergency 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.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 3. Reserve Accounts (continued)**

There was no activity in the emergency reserve for the July 1, 2019 to June 30, 2020 fiscal year. The balance of the emergency reserve at June 30, 2020 is \$250,000.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2020 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>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 23,228	\$ 23,228	\$ 10,636	\$ 10,636
State Awards	108,825	-	108,825	1,679	1,679
Other	276,896	4,801	281,697	-	-
<b>Total</b>	<b>\$ 385,721</b>	<b>\$ 28,029</b>	<b>\$ 413,750</b>	<b>\$ 12,315</b>	<b>\$ 12,315</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2020 was as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2020</u>
<b>Governmental Activities:</b>				
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	24,568,916	945,273	(101,688)	25,412,501
Equipment	3,738,723	156,142	-	3,894,865
Total Capital Assets being depreciated	28,307,639	1,101,415	(101,688)	29,307,366
Less: Accumulated Depreciation:				
Building Improvements	(6,689,989)	(714,755)	96,245	(7,308,499)
Equipment	(2,541,921)	(152,435)	-	(2,694,356)
Total Accumulated Depreciation	(9,231,910)	(867,190)	96,245	(10,002,855)
Total Capital Assets being depreciated, net	19,075,729	234,225	(5,443)	19,304,511
Total Governmental Activities Capital Assets, net	\$ 28,862,229	\$ 234,225	\$ (5,443)	\$ 29,091,011

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 5. Capital Assets (continued)**

	<b>Balance July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Retirements and Transfers</u></b>	<b>Balance June 30, <u>2020</u></b>
<b>Business-Type Activities:</b>				
Equipment	\$ 301,330	\$ -	\$ -	\$ 301,330
	<u>301,330</u>	<u>-</u>	<u>-</u>	<u>301,330</u>
Less: Accumulated Depreciation:				
Equipment	(292,364)	-	-	(292,364)
	<u>(292,364)</u>	<u>-</u>	<u>-</u>	<u>(292,364)</u>
Total Business-Type Activities Capital Assets, net	\$ 8,966	\$ -	\$ -	\$ 8,966

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, 2020 are as follows:

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ 247,961	\$ -
Capital Projects Fund	-	5,202
Debt Service Fund	5,202	247,897
Food Service Fund	-	-
Payroll Fund	-	64
	<u>\$ 253,163</u>	<u>\$ 253,163</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:

<b><u>Fund</u></b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
Capital Projects Fund	\$ -	\$ 5,202
Debt Service Fund	5,202	-
	<u>\$ 5,202</u>	<u>\$ 5,202</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, 2020 (continued)**

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2020 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>	Balance Due <u>Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 6,169,000	\$ -	\$ 285,000	\$ 5,884,000	\$ 300,000
Capital Leases	452,366	110,000	106,137	456,229	129,580
Compensated Absences	579,141	36,966	-	616,107	-
Net Pension Liability	4,023,605	-	611,375	3,412,230	-
	<u>\$ 11,224,112</u>	<u>\$ 146,966</u>	<u>\$ 1,002,512</u>	<u>\$ 10,368,566</u>	<u>\$ 429,580</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 as of June 30, 2020 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 300,000	\$ 179,115	\$ 479,115
2022	305,000	170,040	475,040
2023	315,000	160,740	475,740
2024	330,000	151,065	481,065
2025	340,000	141,015	481,015
2026-2030	1,960,000	538,425	2,498,425
2031-2035	2,334,000	200,993	2,534,993
	<u>\$ 5,884,000</u>	<u>\$ 1,541,393</u>	<u>\$ 7,425,393</u>

**Capital Lease Payable**

In December 2017, the School District entered into a lease purchase agreement for \$212,820. The lease obligation was issued with variable interest rates and matures in November 2022.

In August 2018, the School District entered into a lease purchase agreement for \$128,855. The lease obligation was issued with an average interest rate of 3.5% and matures in August 2022.

In September 2018, the school district entered a lease purchase agreement for \$232,794. The lease obligation was issued with a variable interest rate and matures in September 2023.



**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 7. Long-Term Obligations**

In June 2020, the school district entered a lease purchase agreement for \$115,074. The lease obligation was issued with a variable interest rate and matures in October 2024.

The following is a schedule of future minimum lease payments under capital leases as of June 30, 2020

Fiscal Year Ending <u>June 30,</u>	
2021	\$ 141,551
2022	141,033
2023	114,946
2024	67,262
2025	<u>22,225</u>
Total Minimum Lease Payments	487,017
Less: Amount Representing Interest	<u>(30,788)</u>
Present Value of Minimum Lease Payments	<u>\$ 456,229</u>

At June 30, 2020 the minimum lease payments due within one year is \$141,551.

**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](http://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, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 2019, 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, 2020, the School District reported a liability of \$3,412,230 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The School District's proportion measured as of June 30, 2019, was 0.01893738770%, which was a decrease of 0.0014978923% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$5,768 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 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, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 61,245	\$ 15,074
Changes of Assumptions	340,724	1,184,374
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	53,863
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	49,249	501,602
School District Contributions Subsequent to Measurement Date	211,620	-
	\$ 662,838	\$ 1,754,913

\$211,620 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:

<b>Year Ending Dec 31,</b>	<b>Amount</b>
2020	\$ (1,941,372)
2021	(2,113,080)
2022	3,151,676
2023	(377,232)
2024	(23,687)
	\$ (1,303,695)

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, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
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	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between 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
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)

Note 8. Pension Plans (continued)

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

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	<u>12.00%</u>	10.85%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2019, calculated using the discount rate of 6.28% 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:

	<b>1% Decrease <u>(5.28%)</u></b>	<b>Current Discount Rate <u>(6.28%)</u></b>	<b>1% Increase <u>(7.28%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 4,340,186</u>	<u>\$ 3,412,230</u>	<u>\$ 2,674,036</u>

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

**Balances at June 30, 2020 and June 30, 2019**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Net Pension Liability	18,143,832,135	19,689,501,539
District's portion of the Plan's total Net Pension Liability	0.018937388%	0.020435280%

**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](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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

**MOUNT HOLLY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

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. 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. For fiscal year 2019, 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 nonemployer 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, 2019 was \$48,039,139. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0782766831%, which was a decrease of 0.0000115534% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$2,833,477 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, 2019 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:



MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)

Note 8. Pension Plans (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**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, 2019) 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, 2019 are summarized in the following table:

**MOUNT HOLLY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020 (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>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 30% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 5.60% 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, 2020 (continued)**

**Note 8. Pension Plans (continued)**

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

	<b>1% Decrease <u>(4.60%)</u></b>	<b>Current Discount Rate <u>(5.60%)</u></b>	<b>1% Increase <u>(6.60%)</u></b>
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>56,648,778</u>	<u>48,039,139</u>	<u>40,895,858</u>
	<u>\$ 56,648,778</u>	<u>\$ 48,039,139</u>	<u>\$ 40,895,858</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, 2019 and 2018:

**Balances at June 30, 2020 and June 30, 2019**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 10,129,162,237	\$ 12,675,037,111
Deferred Inflows of Resources	17,736,240,054	16,381,811,884
Net Pension Liability	61,519,112,443	63,806,350,446
District's portion of the Plan's total Net Pension Liability	0.078276683%	0.078288237%

**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;

## MOUNT HOLLY SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020 (continued)

#### Note 8. Pension Plans (continued)

##### C. Defined Contribution Plan (DCRP) (continued)

- 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;
- 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 2020 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, 2020, employee contributions totaled \$21,467, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$11,709.

#### 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

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

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

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.

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 is 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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. 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:** 2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
	based on years of service	based on years of service	based on years of service
Thereafter	1.55 - 3.05%	3.00 - 7.00%	Applied to all future years
	based on years of service	based on years of service	

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**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, 2019 was \$38,817,537. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.093023%, which was a decrease of 0.00060% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$580,479 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, 2019 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, 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, 2020 (continued)**

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

	<b>June 30, 2019</b>		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 45,858,851	\$ 38,817,537	\$ 33,224,303
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

**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, 2019, 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:

	<b>June 30, 2019</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 31,983,920	\$ 38,817,537	\$ 47,863,842
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 1,921,145,183	\$ (1,921,145,183)
Change in Assumptions	-	(10,484,965,300)
Contributions Made in Fiscal Year	-	(8,481,529,343)
Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 1,921,145,183</u>	<u>\$ (20,887,639,826)</u>

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

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

\*\* Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

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,	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	(6,233,858,733)
	\$ (18,966,494,643)

**Plan Membership**

At June 30, 2018, the Program membership consisted of the following:

	June 30, 2018
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	148,051
	364,943

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Difference Between Expected & Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	(1,280,958,373)
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	46,110,832,982
Total OPEB Liability (Ending)	\$ 41,729,081,045
Total Covered Employee Payroll	\$ 13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%



**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**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, 2020, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$1,675,667, \$621,641 and \$1,861, 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>
2019-2020	\$ 18,565	\$ 2,192	\$ 26,561	\$ 181,633
2018-2019	12,257	2,720	19,214	187,437
2017-2018	23,332	2,092	15,245	191,674

**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, 2020 may be impaired. In the opinion of the School District, there are no significant contingent liabilities

## MOUNT HOLLY SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020 (continued)

#### Note 12. Contingencies (continued)

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 Lincoln Investment Planning and AXA Equitable, 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

#### 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, 2020, the liability for compensated absences reported on the government-wide Statement of Net Position was \$616,107.

#### 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.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 15. Tax Abatements (continued)**

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 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, 2020 was \$2,250,000.

**Note 17. Fund Balances**

**General Fund** – Of the \$9,599,560 General Fund balance at June 30, 2020, \$4,995,086 has been restricted for the Capital Reserve Account; \$962,782 has been restricted for the Maintenance Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$2,250,000 has been restricted for current year excess surplus; \$1,600,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$162,713 has been assigned to other purposes; and \$(621,021) has been unassigned.

**Capital Projects Fund** – Of the \$392,422 Capital Projects Fund balance at June 30, 2020, \$392,422 is restricted for future capital projects approved by the School District.

**Debt Service Fund** – Of the \$19,365 Debt Service Fund balance at June 30, 2020, \$19,365 is restricted for future debt service payments.

**Note 18. Deficit Fund Balances**

The School District has a deficit fund balance of \$621,021 in the General Fund as of June 30, 2020 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 \$621,021 which is less than the last state aid payment.

**MOUNT HOLLY SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020 (continued)**

**Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$5,877,109 at June 30, 2020. 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, 2020.

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 8, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Mount Holly Township School District’s state aid was reduced by \$298,179. In order to make up for this decrease in aid, the School District has requested for commissioner approval to withdraw \$250,000 from the emergency reserve and approved the reduction of appropriations in the amount of \$48,179.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

**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, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 8,302,900	\$ -	\$ 8,302,900	\$ 8,302,900	\$ -
Interest on Capital Reserve	10-1XXX	2,000	-	2,000	-	(2,000)
Tuition	10-1300	-	-	-	544,287	544,287
Unrestricted Miscellaneous	10-1990	15,000	-	15,000	173,132	158,132
<b>Total Local Sources</b>		<b>8,319,900</b>	<b>-</b>	<b>8,319,900</b>	<b>9,020,319</b>	<b>700,419</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Extraordinary Aid	10-3131	12,500	-	12,500	78,252	65,752
Categorical Special Education Aid	10-3132	755,237	-	755,237	755,237	-
Equalization Aid	10-3176	8,335,842	-	8,335,842	8,335,842	-
Categorical Security Aid	10-3177	337,977	-	337,977	337,977	-
Adjustment Aid	10-3178	1,025,803	-	1,025,803	1,025,803	-
<b>Nonbudgeted:</b>						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	621,641	621,641
On-Behalf TPAF Pension Contributions		-	-	-	1,675,667	1,675,667
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,861	1,861
Reimbursed TPAF Social Security Contributions		-	-	-	625,135	625,135
<b>Total State Sources</b>		<b>10,594,714</b>	<b>-</b>	<b>10,594,714</b>	<b>13,584,770</b>	<b>2,990,056</b>
<b>Federal Sources:</b>						
Medicaid Reimbursement	10-4200	37,912	-	37,912	32,877	(5,035)
<b>Total Federal Services</b>		<b>37,912</b>	<b>-</b>	<b>37,912</b>	<b>32,877</b>	<b>(5,035)</b>
<b>Total Revenues</b>		<b>18,952,526</b>	<b>-</b>	<b>18,952,526</b>	<b>22,637,966</b>	<b>3,685,440</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Kindergarten	11-110-110-101	371,650	(12,242)	359,408	323,046	36,362
Grades 1 - 5	11-120-100-101	2,055,256	105,743	2,160,999	2,156,555	4,444
Grades 6 - 8	11-130-100-101	1,566,943	(102,073)	1,464,870	1,450,657	14,213
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	6,300	7,099	13,399	13,128	271
Purchased Professional & Educational Services	11-150-100-320	18,000	1,301	19,301	5,213	14,088
<b>Regular Programs - Undistributed:</b>						
Other Salaries for Instruction	11-190-100-106	200,390	4,085	204,475	129,405	75,070
Purchased Professional & Educational Services	11-190-100-320	262,580	(9,412)	253,168	175,064	78,104
Purchased Technical Services	11-190-100-340	26,400	(187)	26,213	25,835	378
Other Purchased Services	11-190-100-500	142,010	(15,670)	126,340	123,329	3,011
General Supplies	11-190-100-610	239,197	(11,128)	228,069	193,012	35,057
Textbooks	11-190-100-640	24,280	(23,970)	310	196	114
Other Objects	11-190-100-800	150	-	150	-	150
<b>Regular Programs - Employee Benefits:</b>						
Health Benefits	11-1xx-100-270	122,432	(122,432)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
<b>Total Instruction - Regular Programs</b>		<b>5,064,588</b>	<b>(207,886)</b>	<b>4,856,702</b>	<b>4,595,440</b>	<b>261,262</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
<b>Special Education:</b>						
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	365,071	53,329	418,400	414,910	3,490
Other Salaries for Instruction	11-212-100-106	203,157	(22,888)	180,269	135,587	44,682
Purchased Professional & Educational Services	11-212-100-320	295,500	34,755	330,255	219,974	110,281
Other Purchased Services	11-212-100-500	-	43	43	43	-
General Supplies	11-212-100-610	26,230	(8,665)	17,565	17,543	22
Textbooks	11-212-100-640	45,260	(45,260)	-	-	-
<b>Total Multiple Disabilities</b>		<b>935,218</b>	<b>11,314</b>	<b>946,532</b>	<b>788,057</b>	<b>158,475</b>
<b>Resource Room/Center:</b>						
Salaries of Teachers	11-213-100-101	1,377,930	(84,301)	1,293,629	1,264,268	29,361
Other Salaries for Instruction	11-213-100-106	74,037	-	74,037	48,603	25,434
Purchased Professional & Educational Services	11-213-100-320	50,000	4,198	54,198	42,921	11,277
General Supplies	11-213-100-610	4,428	(131)	4,297	4,216	81
Textbooks	11-213-100-640	1,050	(1,050)	-	-	-
<b>Total Resource Room/Center</b>		<b>1,507,445</b>	<b>(81,284)</b>	<b>1,426,161</b>	<b>1,360,008</b>	<b>66,153</b>
<b>Preschool Disabilities - Part Time:</b>						
Salaries of Teachers	11-215-100-101	53,829	(53,829)	-	-	-
Other Salaries for Instruction	11-215-100-106	38,773	(38,773)	-	-	-
Purchased Professional & Educational Services	11-215-100-320	2,000	(2,000)	-	-	-
General Supplies	11-215-100-600	150	(150)	-	-	-
<b>Total Preschool Disabilities - Part Time</b>		<b>94,752</b>	<b>(94,752)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Preschool Disabilities - Full Time:</b>						
Salaries of Teachers	11-216-100-101	56,854	53,829	110,683	107,158	3,525
Other Salaries for Instruction	11-216-100-106	13,675	40,082	53,757	40,858	12,899
Purchased Professional & Educational Services	11-216-100-320	-	1,650	1,650	1,352	298
General Supplies	11-216-100-600	-	8,104	8,104	7,984	120
<b>Total Preschool Disabilities - Full Time</b>		<b>70,529</b>	<b>103,665</b>	<b>174,194</b>	<b>157,352</b>	<b>16,842</b>
<b>Employee Benefits - Special Education:</b>						
Health Benefits	11-2xx-100-270	171,977	(171,977)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
<b>Total Employee Benefits - Special Education</b>		<b>184,977</b>	<b>(184,977)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Special Education</b>		<b>2,792,921</b>	<b>(246,034)</b>	<b>2,546,887</b>	<b>2,305,417</b>	<b>241,470</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	93,986	2,487	96,473	53,069	43,404
Purchased Professional & Educational Services	11-230-100-320	1,500	(81)	1,419	415	1,004
General Supplies	11-230-100-600	2,000	(450)	1,550	1,543	7
<b>Total Basic Skills/Remedial</b>		<b>97,486</b>	<b>1,956</b>	<b>99,442</b>	<b>55,027</b>	<b>44,415</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
<b>Bilingual Education:</b>						
Salaries of Teachers	11-240-100-101	140,283	20,723	161,006	141,083	19,923
Other Salaries for Instruction	11-240-100-106	5,000	(817)	4,183	-	4,183
Purchased Professional & Educational Services	11-240-100-320	2,000	2,154	4,154	3,314	840
Other Purchased Services	11-240-100-500	-	100	100	98	2
General Supplies	11-240-100-610	750	(197)	553	537	16
<b>Total Bilingual Education</b>		<b>148,033</b>	<b>21,963</b>	<b>169,996</b>	<b>145,032</b>	<b>24,964</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries of Teachers	11-401-100-100	108,222	3,066	111,288	93,609	17,679
Purchased Services	11-401-100-500	8,300	2,200	10,500	3,434	7,066
Supplies and Materials	11-401-100-600	6,575	302	6,877	1,954	4,923
Other Objects	11-401-100-800	7,860	(2,902)	4,958	535	4,423
<b>Total School Sponsored Cocurricular Activities</b>		<b>130,957</b>	<b>2,666</b>	<b>133,623</b>	<b>99,532</b>	<b>34,091</b>
<b>School Sponsored Athletics:</b>						
Salaries of Teachers	11-402-100-100	27,856	3,033	30,889	30,889	-
<b>Total School Sponsored Athletics</b>		<b>27,856</b>	<b>3,033</b>	<b>30,889</b>	<b>30,889</b>	<b>-</b>
<b>Other Instructional Programs:</b>						
Salaries of Teachers	11-403-100-100	58,354	352	58,706	58,706	-
Supplies and Materials	11-403-100-600	4,800	(553)	4,247	1,815	2,432
<b>Total Other Instructional Programs</b>		<b>63,154</b>	<b>(201)</b>	<b>62,953</b>	<b>60,521</b>	<b>2,432</b>
<b>Before &amp; After School Programs:</b>						
Purchased Professional & Technical Services	11-421-200-300	5,000	-	5,000	-	5,000
<b>Total Before &amp; After School Programs</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>Support Services:</b>						
<b>Tuition:</b>						
Tuition to Other LEA's - Within State Regular	11-000-100-561	203,070	63,467	266,537	259,237	7,300
Tuition to County Special Services & Regular Day Schools	11-000-100-565	841,556	(1,751)	839,805	489,082	350,723
Tuition to Private Schools - Handicapped Within State	11-000-100-566	459,112	(115,637)	343,475	331,890	11,585
Tuition - Other	11-000-100-569	114,200	64,818	179,018	179,017	1
<b>Total Tuition</b>		<b>1,617,938</b>	<b>10,897</b>	<b>1,628,835</b>	<b>1,259,226</b>	<b>369,609</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	56,295	-	56,295	56,295	-
Other Purchased Services	11-000-211-500	1,500	-	1,500	-	1,500
<b>Total Attendance &amp; Social Work Services</b>		<b>57,795</b>	<b>-</b>	<b>57,795</b>	<b>56,295</b>	<b>1,500</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	249,523	4,729	254,252	252,575	1,677
Purchased Professional & Technical Services	11-000-213-300	16,650	(3,333)	13,317	10,800	2,517
Other Purchased Services	11-000-213-500	1,030	(150)	880	278	602
Supplies and Materials	11-000-213-600	7,656	(380)	7,276	5,235	2,041
Other Objects	11-000-216-800	-	450	450	445	5
<b>Total Health Services</b>		<b>274,859</b>	<b>1,316</b>	<b>276,175</b>	<b>269,333</b>	<b>6,842</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
<b>Speech, OT, PT, Related &amp; Extraordinary Services:</b>						
Salaries	11-000-216-100	178,212	-	178,212	169,972	8,240
Purchased Professional & Educational Services	11-000-216-320	166,034	110,377	276,411	177,072	99,339
Travel	11-000-216-580	-	100	100	19	81
Supplies and Materials	11-000-216-600	7,961	(4,243)	3,718	3,527	191
Other Objects	11-000-216-800	200	(200)	-	-	-
<b>Total Speech, OT, PT, Related &amp; Extraordinary Services:</b>		<b>352,407</b>	<b>106,034</b>	<b>458,441</b>	<b>350,590</b>	<b>107,851</b>
<b>Other Support Services- Extra Services:</b>						
Purchased Professional & Educational Services	11-000-217-320	130,000	(51,000)	79,000	78,998	2
<b>Total Other Support Services:</b>		<b>130,000</b>	<b>(51,000)</b>	<b>79,000</b>	<b>78,998</b>	<b>2</b>
<b>Guidance:</b>						
Salaries of Other Professional Staff	11-000-218-104	209,799	90,528	300,327	299,740	587
Purchased Professional- Education Services	11-000-218-320	5,000	(2,246)	2,754	1,919	835
Other Purchased Services	11-000-218-500	-	-	-	-	-
Supplies and Materials	11-000-218-600	4,359	(588)	3,771	1,750	2,021
<b>Total Guidance</b>		<b>219,158</b>	<b>87,694</b>	<b>306,852</b>	<b>303,409</b>	<b>3,443</b>
<b>Child Study Teams:</b>						
Salaries of Other Professional Staff	11-000-219-104	393,574	(3,587)	389,987	389,987	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	61,775	-	61,775	60,275	1,500
Purchased Professional & Educational Services	11-000-219-320	60,400	(20,280)	40,120	27,759	12,361
Other Purchased Services	11-000-219-500	17,600	(1,552)	16,048	13,486	2,562
Supplies and Materials	11-000-219-600	13,400	(2,132)	11,268	10,505	763
Other Objects	11-000-219-800	2,500	(1,185)	1,315	995	320
<b>Total Child Study Teams</b>		<b>549,249</b>	<b>(28,736)</b>	<b>520,513</b>	<b>503,007</b>	<b>17,506</b>
<b>Improvement of Instructional Services:</b>						
Salaries of Supervisor of Instruction	11-000-221-102	56,437	-	56,437	56,437	-
Salaries of Other Professional Staff	11-000-221-104	36,998	(1,630)	35,368	18,163	17,205
Salaries of Secretarial & Clerical Assistants	11-000-221-105	19,565	-	19,565	19,565	-
Salaries of Facilitators, Math and Literacy Coaches	11-000-221-176	86,416	(17,753)	68,663	-	68,663
Purchased Professional & Educational Services	11-000-221-320	-	3,600	3,600	1,558	2,042
Other Purchased Professional & Technical Services	11-000-221-390	3,600	(3,600)	-	-	-
Other Purchased Services	11-000-221-500	5,060	-	5,060	4,136	924
Supplies and Materials	11-000-221-600	6,045	-	6,045	2,744	3,301
Other Objects	11-000-221-800	1,325	-	1,325	920	405
<b>Total Improvement of Instructional Services</b>		<b>215,446</b>	<b>(19,383)</b>	<b>196,063</b>	<b>103,523</b>	<b>92,540</b>
<b>Educational Media Services - School Library:</b>						
Salaries	11-000-222-100	178,707	(200)	178,507	162,887	15,620
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,226	274
Supplies and Materials	11-000-222-600	18,686	(3,463)	15,223	13,990	1,233
Other Objects	11-000-222-800	105	-	105	-	105
<b>Total Educational Media Services - School Library</b>		<b>202,998</b>	<b>(3,663)</b>	<b>199,335</b>	<b>182,103</b>	<b>17,232</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Instructional Staff Training Services:</b>						
Salaries of Supervisor of Instruction	11-000-223-102	56,437	-	56,437	56,437	-
Salaries of Secretarial & Clerical Assistants	11-000-223-105	19,566	1,630	21,196	19,565	1,631
Purchased Professional & Educational Services	11-000-223-320	21,000	(19,750)	1,250	1,250	-
Other Purchased Prof and Tech Services	11-000-223-390	40,000	27,000	67,000	67,000	-
Other Purchased Services	11-000-223-500	5,000	-	5,000	4,616	384
Supplies and Materials	11-000-223-600	1,000	-	1,000	999	1
Other Objects	11-000-223-800	102	-	102	-	102
<b>Total Instructional Staff Training Services</b>		<b>143,105</b>	<b>8,880</b>	<b>151,985</b>	<b>149,867</b>	<b>2,118</b>
<b>General Administration:</b>						
Salaries	11-000-230-100	232,760	-	232,760	230,798	1,962
Legal Services	11-000-230-331	59,000	(5,190)	53,810	48,016	5,794
Audit Services	11-000-230-332	26,450	(966)	25,484	24,484	1,000
Architectural/Engineering Services	11-000-230-334	10,000	(2,050)	7,950	1,170	6,780
Other Purchased Professional Services	11-000-230-339	7,500	(400)	7,100	5,485	1,615
Purchased Technical Services	11-000-230-340	14,500	713	15,213	15,213	-
Communications/Telephone	11-000-230-530	81,894	394	82,288	64,690	17,598
BOE Other Purchased Services	11-000-230-585	8,000	-	8,000	3,195	4,805
Other Purchased Services	11-000-230-590	21,261	907	22,168	16,996	5,172
Supplies & Materials	11-000-230-610	12,950	19,509	32,459	16,203	16,256
BOE In-House Training/Supplies	11-000-230-630	1,650	1,644	3,294	2,596	698
Miscellaneous Expenditures	11-000-230-890	3,050	2,700	5,750	5,184	566
BOE Membership Dues & Fees	11-000-230-895	10,445	(1,000)	9,445	9,089	356
<b>Total General Administration</b>		<b>489,460</b>	<b>16,261</b>	<b>505,721</b>	<b>443,119</b>	<b>62,602</b>
<b>School Administration:</b>						
Salaries of Principals/Assistants						
Principals	11-000-240-103	464,154	-	464,154	464,154	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	264,085	-	264,085	247,172	16,913
Purchased Professional & Technical Services	11-000-240-300	7,500	395	7,895	2,200	5,695
Other Purchased Services	11-000-240-500	7,900	(2,772)	5,128	1,185	3,943
Supplies & Materials	11-000-240-600	19,110	3,030	22,140	15,825	6,315
Other Objects	11-000-240-800	4,200	-	4,200	3,735	465
<b>Total School Administration</b>		<b>766,949</b>	<b>653</b>	<b>767,602</b>	<b>734,271</b>	<b>33,331</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	322,274	-	322,274	319,968	2,306
Purchased Professional Services	11-000-251-330	11,500	956	12,456	11,888	568
Miscellaneous Purchased Services	11-000-251-592	9,935	123	10,058	6,402	3,656
Supplies & Materials	11-000-251-600	9,470	1	9,471	6,814	2,657
Miscellaneous Expenditures	11-000-251-890	2,800	-	2,800	1,546	1,254
<b>Total Central Services</b>		<b>355,979</b>	<b>1,080</b>	<b>357,059</b>	<b>346,618</b>	<b>10,441</b>
<b>Admin Info Technology:</b>						
Salaries	11-000-252-100	71,611	8,495	80,106	80,106	-
Purchased Technical Services	11-000-252-340	99,470	9,253	108,723	105,620	3,103
Supplies & Materials	11-000-252-600	37,150	(2,350)	34,800	25,466	9,334
<b>Total Admin Info Technology</b>		<b>208,231</b>	<b>15,398</b>	<b>223,629</b>	<b>211,192</b>	<b>12,437</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance Services	11-000-261-420	69,000	70,124	139,124	118,533	20,591
General Supplies	11-000-261-610	86,225	(28,010)	58,215	56,631	1,584
Other Objects	11-000-261-800	5,775	1,530	7,305	6,420	885
<b>Total Regular Maintenance School Facilities</b>		<b>161,000</b>	<b>43,644</b>	<b>204,644</b>	<b>181,584</b>	<b>23,060</b>
Custodial Services:						
Salaries	11-000-262-100	980,171	(12,224)	967,947	921,733	46,214
Salaries of Non-Instructional Aides	11-000-262-107	129,637	-	129,637	83,208	46,429
Health Benefits	11-000-262-270	271,144	(271,144)	-	-	-
Purchased Professional & Technical Services	11-000-262-300	26,900	28,711	55,611	52,806	2,805
Cleaning, Repair & Maintenance Services	11-000-262-420	47,300	(2,481)	44,819	38,754	6,065
Rental of Land & Buildings	11-000-262-441	12,200	(10,805)	1,395	120	1,275
Other Purchased Property Services	11-000-262-490	55,000	-	55,000	35,646	19,354
Insurance	11-000-262-520	96,200	(11,000)	85,200	85,181	19
Miscellaneous Purchased Services	11-000-262-590	2,350	-	2,350	346	2,004
General Supplies	11-000-262-610	85,965	(12,576)	73,389	66,557	6,832
Energy (Natural Gas)	11-000-262-621	118,000	(2,000)	116,000	89,917	26,083
Energy (Electricity)	11-000-262-622	375,000	-	375,000	330,330	44,670
<b>Total Custodial Services</b>		<b>2,199,867</b>	<b>(293,519)</b>	<b>1,906,348</b>	<b>1,704,598</b>	<b>201,750</b>
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service	11-000-263-420	25,925	-	25,925	18,908	7,017
General Supplies	11-000-263-610	36,400	(21,000)	15,400	10,668	4,732
<b>Total Care &amp; Upkeep of Grounds</b>		<b>62,325</b>	<b>(21,000)</b>	<b>41,325</b>	<b>29,576</b>	<b>11,749</b>
Security:						
Purchased Professional & Technical Services	11-000-266-300	87,000	829	87,829	78,617	9,212
Cleaning, Repair & Maintenance Service	11-000-266-420	34,990	(7,640)	27,350	13,877	13,473
General Supplies	11-000-266-610	2,600	15,471	18,071	17,626	445
Other Objects	11-000-266-800	600	300	900	895	5
<b>Total Security</b>		<b>125,190</b>	<b>8,960</b>	<b>134,150</b>	<b>111,015</b>	<b>23,135</b>
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>2,548,382</b>	<b>(261,915)</b>	<b>2,286,467</b>	<b>2,026,773</b>	<b>259,694</b>
Student Transportation Services:						
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	20,000	(4,418)	15,582	15,000	582
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	40,000	-	40,000	15,408	24,592
Contracted Services (Between Home & School) - Vendors	11-000-270-512	25,950	-	25,950	6,323	19,627
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	-	4,044	4,044	4,037	7
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	360,000	(8,689)	351,311	275,705	75,606
<b>Total Student Transportation Services</b>		<b>445,950</b>	<b>(9,063)</b>	<b>436,887</b>	<b>316,473</b>	<b>120,414</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
<b>Personal Services - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	285,000	-	285,000	200,267	84,733
<b>Other Retirement Contributions -</b>						
Regular	11-000-291-241	246,000	-	246,000	201,688	44,312
Unemployment Benefits	11-000-291-250	10,000	-	10,000	-	10,000
Workman's Compensation	11-000-291-260	145,000	15,318	160,318	160,318	-
Health Benefits	11-000-291-270	2,172,175	351,148	2,523,323	2,052,909	470,414
Tuition Reimbursement	11-000-291-280	20,000	39,697	59,697	33,169	26,528
Other Employee Benefits	11-000-291-290	235,260	13,666	248,926	157,661	91,265
<b>Total Personal Services - Employee Benefits</b>		<b>3,113,435</b>	<b>419,829</b>	<b>3,533,264</b>	<b>2,806,012</b>	<b>727,252</b>
<b>Nonbudgeted:</b>						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	621,641	(621,641)
On-Behalf TPAF Pension Contributions		-	-	-	1,675,667	(1,675,667)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,861	(1,861)
Reimbursed TPAF Social Security Contributions		-	-	-	625,135	(625,135)
<b>Total Nonbudgeted</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,924,304</b>	<b>(2,924,304)</b>
<b>Total Undistributed Expenditures</b>		<b>11,691,341</b>	<b>294,282</b>	<b>11,985,623</b>	<b>13,065,113</b>	<b>(1,079,490)</b>
<b>Total Expenditures - Current Expense</b>		<b>20,021,336</b>	<b>(130,221)</b>	<b>19,891,115</b>	<b>20,356,971</b>	<b>(465,856)</b>
<b>Capital Outlay:</b>						
Interest to Capital Reserve		2,000	-	2,000	-	2,000
<b>Equipment:</b>						
<b>Regular Programs - Instruction:</b>						
Grades 1 - 5	12-120-100-730	-	167,397	167,397	-	167,397
Grades 6 - 8	12-130-100-730	-	34,695	34,695	-	34,695
Administration Info Tech	12-000-252-730	-	-	-	-	-
Maintenance Services	12-000-261-730	89,000	59,495	148,495	86,718	61,777
Custodial Services	12-000-262-730	-	-	-	-	-
Security Services	12-000-266-730	-	10,903	10,903	10,903	-
<b>Total Equipment</b>		<b>89,000</b>	<b>272,490</b>	<b>361,490</b>	<b>97,621</b>	<b>263,869</b>
<b>Facilities Acquisition &amp; Construction Services:</b>						
Architectural/Engineering Services	12-000-400-334	125,000	78,665	203,665	139,754	63,911
Construction Services	12-000-400-450	1,070,000	23,799	1,093,799	613,159	480,640
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277	-
<b>Total Acquisition &amp; Construction Services</b>		<b>1,208,277</b>	<b>102,464</b>	<b>1,310,741</b>	<b>766,190</b>	<b>544,551</b>
<b>Assets Acquired Under Capital Leases (Nonbudgeted:)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>(110,000)</b>
<b>Total Assets Acquired Under Capital Leases (Nonbudgeted)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>(110,000)</b>
<b>Total Capital Outlay</b>		<b>1,299,277</b>	<b>374,954</b>	<b>1,674,231</b>	<b>973,811</b>	<b>700,420</b>
<b>Total Expenditures</b>		<b>21,320,613</b>	<b>244,733</b>	<b>21,565,346</b>	<b>21,330,782</b>	<b>234,564</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>		<b>(2,368,087)</b>	<b>(244,733)</b>	<b>(2,612,820)</b>	<b>1,307,184</b>	<b>3,920,004</b>

**MOUNT HOLLY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources\ ( Uses):					
Transfer to Capital Projects	12-000-400-931	-	-	-	-
Transfer to Charter Schools	10-00-100-56x	(15,913)	15,913	-	-
Capital Leases (Non-Budgeted)		-	-	110,000	110,000
Sources Over/(Under) Expenditures & Other					
Financing Uses		(2,384,000)	(228,820)	(2,612,820)	1,417,184
Fund Balances, July 1		9,711,129	-	9,711,129	9,235,079
Fund Balances, June 30		<u>\$ 7,327,129</u>	<u>\$ (228,820)</u>	<u>\$ 7,098,309</u>	<u>\$ 10,652,263</u>
				<u>\$ 4,030,004</u>	<u>\$ 4,030,004</u>

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Reserve for Encumbrances	<u>\$ 228,820</u>
Total Budget Transfers	<u><u>\$ 228,820</u></u>

**RECAPITULATION**

<b>Restricted Fund Balance:</b>	
Reserve for Excess Surplus	\$ 2,250,000
Emergency Reserve	250,000
Maintenance Reserve	962,782
Capital Reserve Account	4,995,086
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,600,000
<b>Assigned Fund Balance:</b>	
Year-End Encumbrances	162,713
<b>Unassigned Fund Balance</b>	<u>431,682</u>
Subtotal	10,652,263
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,052,703)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 9,599,560</u></u>



**MOUNT HOLLY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES:	JUNE 30, 2020				VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 7,810	\$ 7,810	\$ 5,813	\$ (1,997)
State Sources	1,242,795	138,113	1,380,908	1,131,489	(249,419)
Federal Sources	709,580	670,527	1,380,107	833,982	(546,125)
<b>Total - Revenues</b>	<b>1,952,375</b>	<b>816,450</b>	<b>2,768,825</b>	<b>1,971,284</b>	<b>(797,541)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	781,747	114,317	896,064	755,246	140,818
Salaries of Aides	75,154	(8,467)	66,687	56,459	10,228
Professional Education Services	-	161,675	161,675	89,344	72,331
Other Purchased Services	368,991	-	368,991	368,991	-
General Supplies	-	264,073	264,073	108,514	155,559
Textbooks	7,696	-	7,696	7,646	50
Miscellaneous	-	750	750	750	-
<b>Total Instruction</b>	<b>1,233,588</b>	<b>532,348</b>	<b>1,765,936</b>	<b>1,386,950</b>	<b>378,986</b>
<b>Support Services:</b>					
Other Salaries	144,095	-	144,095	144,095	-
Purchased Technical Services	-	114,539	114,539	77,197	37,342
Purchased Educational Services	226,182	14,638	240,820	236,842	3,978
Other Employee Benefits	348,510	51,524	400,034	82,923	317,111
Other Purchased Services	-	9,029	9,029	1,406	7,623
Supplies & Materials	-	65,752	65,752	13,251	52,501
<b>Total Support Services</b>	<b>718,787</b>	<b>255,482</b>	<b>974,269</b>	<b>555,714</b>	<b>418,555</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Non-instructional Equipment	-	28,620	28,620	28,620	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>28,620</b>	<b>28,620</b>	<b>28,620</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,952,375</b>	<b>816,450</b>	<b>2,768,825</b>	<b>1,971,284</b>	<b>797,541</b>
<b>Total Outflows</b>	<b>1,952,375</b>	<b>816,450</b>	<b>2,768,825</b>	<b>1,971,284</b>	<b>797,541</b>
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, 2020**

**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)	\$ 22,637,966	\$ 1,971,284
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	-	280,547
Current Year	-	(4,787)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	983,033	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(1,052,703)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 22,568,296	\$ 2,247,044
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 21,330,782	\$ 1,971,284
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.		
	-	275,760
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 21,330,782	\$ 2,247,044

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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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 SEVEN FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.01894%	0.02044%	0.02030%	0.02205%	0.02269%	0.02148%	0.02290%
District's proportionate share of the net pension liability (asset)	\$ 3,412,230	\$ 4,023,605	\$ 4,725,445	\$ 6,531,143	\$ 5,094,517	\$ 4,020,894	\$ 4,376,091
District's covered-employee payroll	1,446,432	1,351,598	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	235.91%	297.69%	346.40%	476.25%	365.60%	262.95%	277.60%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	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 SEVEN FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 184,205	\$ 203,265	\$ 188,055	\$ 195,906	\$ 195,114	\$ 177,045	\$ 172,525
Contributions in relation to the contractually required contribution	(184,205)	(203,265)	(188,055)	(195,906)	(195,114)	(177,045)	(172,525)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,446,432	\$ 1,351,598	\$ 1,364,150	\$ 1,371,378	\$ 1,393,484	\$ 1,529,152	\$ 1,576,389
Contributions as a percentage of covered-employee payroll	12.74%	15.04%	13.79%	14.29%	14.00%	11.58%	10.94%

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.

**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 SEVEN FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	48,039,139	49,805,294	51,221,750	58,542,098	46,370,860	39,752,042	39,231,814
	<u>\$ 48,039,139</u>	<u>\$ 49,805,294</u>	<u>\$ 51,221,750</u>	<u>\$ 58,542,098</u>	<u>\$ 46,370,860</u>	<u>\$ 39,752,042</u>	<u>\$ 39,231,814</u>
District's covered-employee payroll	\$ 8,749,429	\$ 8,454,712	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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.

**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.

M. 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 THREE FISCAL YEARS\***

	2020	2019	2018
<b>District's Total OPEB Liability</b>			
Service Cost	\$ 1,371,668	\$ 1,481,803	\$ 1,797,478
Interest Cost	1,701,689	1,843,702	1,602,068
Differences Between Expected and Actual Experiences	(6,850,594)	(4,655,118)	-
Changes of Assumptions	578,773	(4,954,233)	(6,676,316)
Contributions: Member	35,322	39,898	43,131
Gross Benefit Payments	(1,191,583)	(1,154,411)	(1,171,323)
Net Change in District's Total OPEB Liability	(4,354,725)	(7,398,359)	(4,404,962)
District's Total OPEB Liability (Beginning)	43,172,262	50,570,621	54,975,583
District's Total OPEB Liability (Ending)	<u>\$ 38,817,537</u>	<u>\$ 43,172,262</u>	<u>\$ 50,570,621</u>
District's Covered Employee Payroll	\$ 10,195,861	\$ 9,806,310	\$ 9,532,444
District's Net OPEB Liability as a Percentage of Payroll	381%	440%	531%

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, 2020**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2018.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

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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, 2020**

	TITLE I	TITLE II	TITLE III	TITLE IV	IDEA - B	
	PART A	PART A	PART A	PART A	BASIC	PRESCHOOL
<b>Revenues:</b>						
Federal Sources	\$ 352,840	\$ 38,545	\$ 24,810	\$ 29,391	\$ 376,941	\$ 11,455
<b>Total Revenues</b>	<b>\$ 352,840</b>	<b>\$ 38,545</b>	<b>\$ 24,810</b>	<b>\$ 29,391</b>	<b>\$ 376,941</b>	<b>\$ 11,455</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 270,942	\$ 16,704	\$ 9,721	\$ -	\$ -	\$ -
Professional Education Services	25,800	-	-	20,000	-	-
Tuition	-	-	-	-	357,536	11,455
General Supplies	33,931	-	14,113	-	-	-
<b>Total Instruction</b>	<b>330,673</b>	<b>16,704</b>	<b>23,834</b>	<b>20,000</b>	<b>357,536</b>	<b>11,455</b>
<b>Support Services:</b>						
Purchased Technical Services	16,645	21,841	-	5,144	19,405	-
Other Employee Benefits	5,522	-	697	-	-	-
Other Purchased Services	-	-	279	-	-	-
Supplies & Materials	-	-	-	4,247	-	-
<b>Total Support Services</b>	<b>22,167</b>	<b>21,841</b>	<b>976</b>	<b>9,391</b>	<b>19,405</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 352,840</b>	<b>\$ 38,545</b>	<b>\$ 24,810</b>	<b>\$ 29,391</b>	<b>\$ 376,941</b>	<b>\$ 11,455</b>

**MOUNT HOLLY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	NONPUBLIC				CHAPTER 192 AUXILIARY SERVICES	PRESCHOOL EDUCATION
	TEXTBOOK	NURSING	SECURITY	TECHNOLOGY	COMPENSATORY EDUCATION	EXPANSION AID
Revenues:						
State Sources	\$ 7,646	\$ 14,162	\$ 4,599	\$ 4,029	\$ 21,413	\$ 1,069,291
Total Revenues	<u>\$ 7,646</u>	<u>\$ 14,162</u>	<u>\$ 4,599</u>	<u>\$ 4,029</u>	<u>\$ 21,413</u>	<u>\$ 1,069,291</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457,879
Salaries of Aides	-	-	-	-	-	56,459
Professional Education Services	-	-	-	-	21,413	11,782
General Supplies	-	-	-	4,029	-	53,898
Textbooks	7,646	-	-	-	-	-
Total Instruction	<u>7,646</u>	<u>-</u>	<u>-</u>	<u>4,029</u>	<u>21,413</u>	<u>580,018</u>
Support Services:						
Other Salaries	-	-	-	-	-	144,095
Other Employee Benefits	-	-	-	-	-	76,704
Purchased Technical Services	-	14,162	-	-	-	-
Purchased Educational Services	-	-	-	-	-	235,342
Other Purchased Services (400-500)	-	-	-	-	-	1,127
Supplies & Materials	-	-	4,599	-	-	3,385
Total Support Services	<u>-</u>	<u>14,162</u>	<u>4,599</u>	<u>-</u>	<u>-</u>	<u>460,653</u>
Facilities Acquisition & Construction Services:						
Non-instructional Equipment	-	-	-	-	-	28,620
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,620</u>
Total Expenditures	<u>\$ 7,646</u>	<u>\$ 14,162</u>	<u>\$ 4,599</u>	<u>\$ 4,029</u>	<u>\$ 21,413</u>	<u>\$ 1,069,291</u>

**MOUNT HOLLY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

CHAPTER 193 HANDICAPPED SERVICES								
	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION	PROJECT LEAD THE WAY	NORRIS DONATION	SUSTAINABLE NEW JERSEY	2020	
<b>Revenues:</b>								
Local Sources	\$ -	\$ -	\$ -	\$ 1,204	\$ 2,569	\$ 2,040	\$	\$ 5,813
State Sources	2,734	-	7,615	-	-	-	-	1,131,489
Federal Sources	-	-	-	-	-	-	-	833,982
<b>Total Revenues</b>	<b>\$ 2,734</b>	<b>\$ -</b>	<b>\$ 7,615</b>	<b>\$ 1,204</b>	<b>\$ 2,569</b>	<b>\$ 2,040</b>	<b>\$</b>	<b>\$ 1,971,284</b>
<b>Expenditures:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 755,246
Salaries of Aides	-	-	-	-	-	-	-	56,459
Purchased Professional & Educational Services	2,734	-	7,615	-	-	-	-	89,344
Other Purchased Services	-	-	-	-	-	-	-	368,991
General Supplies	-	-	-	454	49	2,040	-	108,514
Textbooks	-	-	-	-	-	-	-	7,646
Miscellaneous	-	-	-	750	-	-	-	750
<b>Total Instruction</b>	<b>2,734</b>	<b>-</b>	<b>7,615</b>	<b>1,204</b>	<b>49</b>	<b>2,040</b>	<b>-</b>	<b>1,386,950</b>
<b>Support Services:</b>								
Other Salaries	-	-	-	-	-	-	-	144,095
Purchased Technical Services	-	-	-	-	-	-	-	77,197
Purchased Educational Services	-	-	-	-	1,500	-	-	236,842
Other Employee Benefits	-	-	-	-	-	-	-	82,923
Other Purchased Services (400-500)	-	-	-	-	-	-	-	1,406
Supplies & Materials	-	-	-	-	1,020	-	-	13,251
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,520</b>	<b>-</b>	<b>-</b>	<b>555,714</b>
<b>Facilities Acquisition &amp; Construction Services:</b>								
Non-instructional Equipment	-	-	-	-	-	-	-	28,620
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,620</b>
<b>Total Expenditures</b>	<b>\$ 2,734</b>	<b>\$ -</b>	<b>\$ 7,615</b>	<b>\$ 1,204</b>	<b>\$ 2,569</b>	<b>\$ 2,040</b>	<b>\$</b>	<b>\$ 1,971,284</b>

**MOUNT HOLLY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	2020		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 457,917	\$ 457,879	\$ 38
Other Salaries for Instruction	66,686	56,459	10,227
Purchased Professional Services	18,043	11,782	6,261
Supplies	54,440	53,897	543
Total Instruction	597,086	580,017	17,069
Support Services:			
Other Salaries	144,095	144,095	-
Purchased Educational Services	233,436	233,436	-
Other Employee Benefits	249,629	76,704	172,925
Purchased Technical Services	3,884	1,906	1,978
Other Purchased Services	6,000	1,128	4,872
Supplies & Materials	20,485	3,385	17,100
Total Support Services	657,529	460,654	196,875
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	28,620	28,620	-
Total Facilities Acquisition & Construction Services	28,620	28,620	-
Total Expenditures	\$ 1,283,235	\$ 1,069,291	\$ 213,944

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 1,136,772
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	201,473
Total Preschool Education Aid Funds Available for 2019-2020 Budget	1,338,245
Less: 2019-2020 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(1,283,235)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2020	55,010
Add: June 30, 2020 Unexpended Preschool Education Aid	213,944
Total Actual Preschool Education Aid Carryover	\$ 268,954
2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021	\$ -



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, 2020**

PROJECT TITLE/ISSUE	EXPENDITURES TO DATE				UNEXPENDED BALANCE JUNE 30, 2020
	APPROPRIATIONS	PRIOR YEARS	CANCELLATION	TRANSFERS OUT	
Various Capital Improvements:					
Bond Proceeds	\$ 6,939,000	\$ 6,387,196	\$ -	\$ 159,382	\$ 392,422
Transfer from Capital Reserve	1,000,317	928,570	545	71,202	-
State School Building Aid - (ROD) Grants	12,540,209	11,555,318	984,891	-	-
<b>Total</b>	<b>\$ 20,479,526</b>	<b>\$ 18,871,084</b>	<b>\$ 985,436</b>	<b>\$ 230,584</b>	<b>\$ 392,422</b>

**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, 2020**

Revenues & Other Financing Sources:	
Interest Earnings	<u>\$          5,202</u>
Total Revenues	<u>                  5,202</u>
Expenditures & Other Financing Uses:	
Transfer to Debt Service	<u>                  5,202</u>
Total Expenditures	<u>                  5,202</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>          392,422</u>
Fund Balance - Ending	<u><u>          392,422</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, 2020**

	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	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE

**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, 2020**

	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	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE

**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, 2020**

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

**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	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE

**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, 2020**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 506,438	\$ -	\$ 506,438	\$ 506,438
Bond Proceeds	393,543	-	393,543	393,543
<b>Total Reserve</b>	<b>899,981</b>	<b>-</b>	<b>899,981</b>	<b>899,981</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	114,253	-	114,253	104,767
Construction Services	732,867	-	732,867	738,413
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>847,120</b>	<b>-</b>	<b>847,120</b>	<b>843,180</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 52,861</b>	<b>\$ -</b>	<b>\$ 52,861</b>	<b>\$ 56,801</b>

**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	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE



**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, 2020**

	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
Total Reserve	5,518,256	-	5,518,256	5,518,256
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
Total Expenditures & Other Financing Uses	5,488,202	-	5,488,202	5,488,201
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 30,054	\$ -	\$ 30,054	\$ 30,055

**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	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE

**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, 2020**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 4,687,953	\$ -	\$ 4,687,953	\$ 4,687,953
Transfer from Capital Reserve	928,570	-	928,570	1,000,317
Bond Proceeds	2,320,423	-	2,320,423	2,320,423
	<hr/>			
Total Reserve	7,936,946	-	7,936,946	8,008,693
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	861,050	-	861,050	771,952
Construction Services	6,778,267	-	6,778,267	6,883,985
Transfer to Debt Service	14,740	-	14,740	-
	<hr/>			
Total Expenditures & Other Financing Uses	7,639,317	-	7,654,057	7,655,937
	<hr/>			
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 297,629	\$ -	\$ 282,889	\$ 352,756
	<hr/>			

**ADDITIONAL PROJECT INFORMATION**

Project Number	3430-060-14-1007
Grant Date	2014-2017
Bond Authorization Date	
Bonds Authorized	\$ 2,320,423
Bonds Issued	\$ 2,320,423
Original Authorized Cost	\$ 8,565,872
Additional Authorized Cost	\$ (557,179)
Revised Authorized Cost	\$ 8,008,693
Percentage Increase Over Original Authorized Cost	-6.50%
Percentage Completion	100.00%
Original Target Completion Date	2016-2017
Revised Target Completion Date	COMPLETE

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, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 148,046
Accounts Receivable:	
State	1,679
Federal	10,636
Inventories	<u>21,246</u>
Total Current Assets	<u>181,607</u>
Fixed Assets:	
Equipment	301,330
Less: Accumulated Depreciation	<u>(292,364)</u>
Total Fixed Assets	<u>8,966</u>
Total Assets	<u>190,573</u>
<b>LIABILITIES</b>	
Unearned Revenue	<u>18,216</u>
Total Liabilities	<u>18,216</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	8,966
Unrestricted Net Position	<u>163,391</u>
Total Net Position	<u><u>\$ 172,357</u></u>

**MOUNT HOLLY SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 74,282
Daily Sales - Non-Reimbursable Programs	22,610
Special Functions	2,445
	<hr/>
Total Operating Revenues	99,337
	<hr/>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	157,613
Cost of Sales- Non- Reimbursable Programs	53,792
Salaries and Benefits	159,968
Supplies & Materials	12,534
Management Fee	30,600
Direct Services	12,431
Miscellaneous	4,904
	<hr/>
Total Operating Expenses	431,842
	<hr/>
Operating Income/(Loss)	(332,505)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	6,358
Federal Sources:	
National School Lunch Program	234,809
National School Breakfast Program	75,946
Food Distribution Program	33,729
Healthy Hungry Kids Act	6,223
After School Snack	8,762
Interest Revenue	2,916
	<hr/>
Total Nonoperating Revenues/(Expenses)	368,743
	<hr/>
Net Income/(Loss)	36,238
Net Position - July 1	136,119
	<hr/>
Net Position - June 30	\$ 172,357
	<hr/> <hr/>



**MOUNT HOLLY SCHOOL DISTRICT  
ENTERPRISE FUND  
FOOD SERVICE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 144,798
Payments to Employees for Services	(159,968)
Payments to Suppliers for Goods & Services	(405,286)
	(420,456)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	341,848
	341,848
Cash Flows From Investing Activities:	
Capital Asset Adjustment	-
Interest & Dividends	2,916
	2,916
Net Increase/(Decrease) in Cash & Cash Equivalents	(75,692)
Cash & Cash Equivalents, July 1	223,738
Cash & Cash Equivalents, June 30	\$ 148,046

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

Operating Income/(Loss)	\$ (332,505)
Adjustments to Reconcile Operating Income/ (Loss)/to Net Cash Provided/(Used) by	
Operating Activities:	
Food Distribution Program	33,729
Change in Assets & Liabilities:	
(Increase)/Decrease in Inventories	(11,113)
Increase/(Decrease) in Interfund Payable	(122,299)
Increase/(Decrease) in Unearned Revenues	11,732
	(87,951)
Total Adjustments	(87,951)
Net Cash Provided/(Used) by Operating Activities	\$ (420,456)

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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, 2020**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 181,633	\$ 10,127	\$ 64	\$	191,824
Total Assets	181,633	10,127	64		191,824
LIABILITIES					
Interfund Payable	-	-	64		64
Due to Student Groups	-	10,127	-		10,127
Total Liabilities	-	10,127	64		10,191
NET POSITION					
Reserve for Unemployment Compensation	181,633	-	-		181,633
Total Net Position	\$ 181,633	\$ -	\$ -	\$	181,633

**MOUNT HOLLY SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

	PRIVATE PURPOSE <hr/> UNEMPLOYMENT COMPENSATION TRUST
ADDITIONS:	
Contributions:	
Employee Contributions	<u>\$ 18,565</u>
Total Contributions	<u>18,565</u>
Investment Earnings:	
Interest	<u>2,192</u>
Net Investment Earnings	<u>2,192</u>
Total Additions	<u>20,757</u>
DEDUCTIONS:	
Unemployment Claims	<u>26,561</u>
Total Deductions	<u>26,561</u>
Change in Net Position	(5,804)
Net Position - July 1	<u>187,437</u>
Net Position - June 30	<u><u>\$ 181,633</u></u>



**MOUNT HOLLY SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
Holbein School	\$ 4,354	\$ 8,904	\$ 3,131	\$ 10,127
Total Activity	<u>\$ 4,354</u>	<u>\$ 8,904</u>	<u>\$ 3,131</u>	<u>\$ 10,127</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
Cash & Cash Equivalents	\$ 6,502	\$ 12,509,355	\$ 12,515,793	\$ 64
Total Assets	<u>\$ 6,502</u>	<u>\$ 12,509,355</u>	<u>\$ 12,515,793</u>	<u>\$ 64</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 6,349	\$ 5,744,177	\$ 5,750,526	\$ -
Net Payroll	-	6,765,178	6,765,178	-
Interfund Payable	153	-	89	64
Total Liabilities	<u>\$ 6,502</u>	<u>\$ 12,509,355</u>	<u>\$ 12,515,793</u>	<u>\$ 64</u>

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## I. Long-Term Debt

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**MOUNT HOLLY SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	ISSUED	RETIRED	BALANCE JUNE 30, 2020
			DATE	AMOUNT				
General Obligation Bonds	7/1/15	\$ 6,939,000	07/01/2020	300,000	3.00%	\$ -	\$ 285,000	\$ 5,884,000
			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						\$ 6,169,000	\$ 285,000	\$ 5,884,000

**MOUNT HOLLY SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST	AMOUNT OUTSTANDING		ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2020
					JUNE 30, 2019	JUNE 30, 2020			
Duplicating Machines: Copiers	12/28/2017	5 Years	\$ 197,106	\$ 18,894	\$ 136,366	\$ -	\$ 38,137	\$ 98,229	
Classroom Equipment Interactive Whiteboards	8/1/2018	5 Years	120,000	8,855	96,000	-	24,000	72,000	
Classroom Equipment Interactive Whiteboards	9/1/2018	5 Years	220,000	12,794	220,000	-	44,000	176,000	
Classroom Equipment Interactive Whiteboards	4/1/2020	5 Years	110,000	5,074	-	110,000	-	110,000	
Total					\$ 452,366	\$ 110,000	\$ 106,137	\$ 456,229	

**MOUNT HOLLY SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	June 30, 2020				VARIANCE	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FAVORABLE	UNFAVORABLE
Revenues:						
Local Sources:						
Local Tax Levy	\$ 291,316	\$ -	\$ 291,316	\$ 291,316	\$ -	
Interest	-	-	-	1,875		1,875
<b>Total Revenues</b>	<b>291,316</b>	<b>-</b>	<b>291,316</b>	<b>293,191</b>		<b>1,875</b>
Expenditures:						
Regular Debt Service:						
Principal	285,000	-	285,000	285,000		-
Interest	187,890	-	187,890	187,890		-
<b>Total Expenditures</b>	<b>472,890</b>	<b>-</b>	<b>472,890</b>	<b>472,890</b>		<b>-</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(181,574)	-	(181,574)	(179,699)		1,875
Other Financing Sources/(Uses):						
Operating Transfers In	159,382	-	159,382	5,202		(154,180)
<b>Total Other Financing Sources/(Uses)</b>	<b>159,382</b>	<b>-</b>	<b>159,382</b>	<b>5,202</b>		<b>(154,180)</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(22,192)	-	(22,192)	(174,497)		(152,305)
Fund Balances July 1,	193,862	-	193,862	193,862		-
<b>Fund Balances June 30,</b>	<b>\$ 171,670</b>	<b>\$ -</b>	<b>\$ 171,670</b>	<b>\$ 19,365</b>	<b>\$</b>	<b>(152,305)</b>

**MOUNT HOLLY SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF COMPENSATED ABSENCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	OUTSTANDING BALANCE 2019	ADDITIONS	OUTSTANDING BALANCE 2020
Compensated Absences	\$ 579,141	\$ 36,966	\$ 616,107



**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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net Investment in Capital,										
Assets										
Restricted										
Capital Projects	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069	-	-	-
Debt Service	19,365	193,862	46,242	99,829	39,779	17,762	-	-	-	-
Other Purposes	5,062,782	3,601,782	9,151,510	8,198,391	7,417,955	5,620,575	5,940,843	4,973,883	3,911,564	2,991,983
Unrestricted	(5,877,109)	(5,543,065)	(6,456,819)	(6,482,855)	(8,404,457)	(4,997,172)	(1,049,410)	(728,261)	(669,401)	(1,290,155)
Total Governmental Activities	\$ 27,343,328	\$ 25,824,632	\$ 25,320,390	\$ 24,198,326	\$ 24,154,083	\$ 17,003,880	\$ 18,566,709	\$ 16,319,826	\$ 14,418,635	\$ 13,364,125
Net Position										
<b>Business-Type Activities:</b>										
Net Investment in Capital,										
Assets										
Unrestricted	8,966	8,966	8,566	17,271	25,947	31,008	42,161	53,572	77,512	42,607
Total Business-Type Activities	163,391	127,153	104,020	169,115	138,868	104,099	117,312	114,176	100,804	87,662
Net Position	\$ 172,357	\$ 136,119	\$ 112,586	\$ 186,386	\$ 164,815	\$ 135,107	\$ 159,473	\$ 167,748	\$ 178,316	\$ 130,269
<b>Government-Wide:</b>										
Net Investment in Capital,										
Assets										
Restricted:										
Capital Projects	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069	-	-	-
Debt Service	19,365	193,862	46,242	99,829	39,779	17,762	-	-	-	-
Other Purposes	5,062,782	3,601,782	9,151,510	8,198,391	7,417,955	5,620,575	5,940,843	4,973,883	3,911,564	2,991,983
Unrestricted	(5,713,718)	(5,415,912)	(6,352,799)	(6,313,740)	(8,265,589)	(4,893,073)	(932,098)	(614,085)	(568,597)	(1,202,493)
Total District Net Position	\$ 27,515,685	\$ 25,960,751	\$ 25,432,976	\$ 24,384,712	\$ 24,318,898	\$ 17,138,987	\$ 18,726,182	\$ 16,487,574	\$ 14,596,951	\$ 13,494,394

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

	FISCAL YEAR ENDING JUNE 30.									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 6,262,749	\$ 5,663,494	\$ 5,809,949	\$ 5,682,083	\$ 5,559,807	\$ 5,387,538	\$ 5,487,411	\$ 5,213,542	\$ 5,214,002	\$ 5,519,336
Special Education	2,305,417	2,131,289	2,115,466	2,018,801	2,162,306	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138
Other Instruction	469,999	519,880	449,465	467,110	506,400	439,399	447,418	450,180	426,607	415,335
<b>Support Services &amp; Undistributed Costs:</b>										
Tuition	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089	1,644,007	1,906,476
Student & Instruction Related Services	2,469,242	2,313,927	2,030,323	2,087,780	1,989,139	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554
General Administrative Services	443,119	458,771	413,852	379,281	340,412	353,946	372,782	386,050	369,892	454,401
School Administrative Services	734,271	728,340	702,518	690,529	721,377	693,063	687,619	590,906	555,994	710,874
Central Services	557,810	517,673	502,389	506,466	466,135	448,173	418,467	320,780	320,780	324,533
Plant Operations & Maintenance	1,808,375	2,355,571	1,951,131	6,229,117	1,922,024	1,833,142	1,574,198	1,839,744	1,703,287	1,303,527
Pupil Transportation	316,473	431,478	400,482	422,531	376,631	339,534	325,450	413,220	379,328	336,873
Other Objects	-	-	-	-	-	-	-	-	-	10,789
Unallocated Benefits	6,924,435	7,888,459	12,224,413	9,083,386	7,348,324	6,180,343	4,262,067	4,148,816	3,908,934	4,511,837
Changes in Long-Term Debt	287,936	225,921	311,642	277,390	305,584	118,547	(118,023)	269,082	-	-
Reduction of Capital Leases	867,190	793,058	707,170	647,006	440,877	255,799	132,723	135,733	179,503	161,222
Unallocated Depreciation	5,443	279,998	-	-	-	-	-	-	-	-
Capital Asset Adjustments	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expense</b>	<b>24,711,685</b>	<b>25,667,647</b>	<b>28,892,107</b>	<b>29,725,169</b>	<b>23,029,512</b>	<b>21,178,898</b>	<b>18,485,896</b>	<b>18,688,222</b>	<b>18,279,186</b>	<b>19,186,895</b>
<b>Business-Type Activities:</b>										
Food Service	431,842	514,756	639,647	504,577	493,880	509,455	523,025	500,447	467,251	420,095
<b>Total Business-Type Activities Expense</b>	<b>431,842</b>	<b>514,756</b>	<b>639,647</b>	<b>504,577</b>	<b>493,880</b>	<b>509,455</b>	<b>523,025</b>	<b>500,447</b>	<b>467,251</b>	<b>420,095</b>
<b>Total District Expenses</b>	<b>\$ 25,143,527</b>	<b>\$ 26,182,403</b>	<b>\$ 29,531,754</b>	<b>\$ 30,229,746</b>	<b>\$ 23,523,392</b>	<b>\$ 21,688,353</b>	<b>\$ 19,008,921</b>	<b>\$ 19,188,669</b>	<b>\$ 18,746,437</b>	<b>\$ 19,606,990</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Operating Grants & Contributions	\$ 6,287,996	\$ 6,811,778	\$ 8,232,578	\$ 7,153,469	\$ 5,560,432	\$ 4,345,764	\$ 2,539,068	\$ 2,812,727	\$ 1,666,996	\$ 2,657,941
<b>Total Governmental Activities Program Revenues</b>	<b>6,287,996</b>	<b>6,811,778</b>	<b>8,232,578</b>	<b>7,153,469</b>	<b>5,560,432</b>	<b>4,345,764</b>	<b>2,539,068</b>	<b>2,812,727</b>	<b>1,666,996</b>	<b>2,657,941</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	99,337	122,043	130,749	118,697	125,126	137,893	157,605	157,605	158,248	183,601
Operating Grants & Contributions	365,827	413,004	433,151	406,867	398,279	347,101	338,960	338,960	302,410	279,361
<b>Total Business Type Activities Program Revenues</b>	<b>465,164</b>	<b>535,047</b>	<b>563,900</b>	<b>525,564</b>	<b>523,405</b>	<b>484,994</b>	<b>496,565</b>	<b>496,565</b>	<b>460,658</b>	<b>462,962</b>
<b>Total District Program Revenues</b>	<b>\$ 6,753,160</b>	<b>\$ 7,346,825</b>	<b>\$ 8,796,478</b>	<b>\$ 7,679,033</b>	<b>\$ 6,083,837</b>	<b>\$ 4,830,758</b>	<b>\$ 3,035,633</b>	<b>\$ 3,309,292</b>	<b>\$ 2,127,654</b>	<b>\$ 3,120,903</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (18,423,689)	\$ (18,855,869)	\$ (20,659,529)	\$ (22,571,700)	\$ (17,469,080)	\$ (16,833,134)	\$ (15,946,828)	\$ (15,875,495)	\$ (16,612,190)	\$ (16,528,954)
Business-Type Activities	33,322	20,291	(75,747)	20,987	29,525	(24,461)	(26,460)	(3,882)	(6,593)	42,867
<b>Total Government-Wide Net Expense</b>	<b>\$ (18,390,367)</b>	<b>\$ (18,835,578)</b>	<b>\$ (20,735,276)</b>	<b>\$ (22,550,713)</b>	<b>\$ (17,439,555)</b>	<b>\$ (16,857,595)</b>	<b>\$ (15,973,288)</b>	<b>\$ (15,879,377)</b>	<b>\$ (16,618,783)</b>	<b>\$ (16,486,087)</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for										
General Purposes, Net	\$ 8,594,216	\$ 8,432,729	\$ 8,474,755	\$ 8,126,448	\$ 7,835,278	\$ 7,400,372	\$ 7,350,372	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889
Unrestricted Grants &										
Contributions	10,623,673	10,399,158	12,792,381	14,036,919	16,480,283	12,014,357	10,252,864	10,125,861	10,359,703	9,933,649
Investment Earnings	7,077	12,287	22,192	26,500	14,785	23,608	5,800	3,585	8,938	36,787
Miscellaneous Income	717,419	515,937	492,265	426,076	288,937	208,059	584,675	346,868	140,832	359,592
Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	19,942,385	19,360,111	21,781,593	22,615,943	24,619,283	19,646,396	18,193,711	17,776,686	17,666,700	17,346,917
Business-Type Activities:										
Investment Earnings	2,916	3,242	1,947	584	183	95	108	106	497	592
Adjustment to Fixed Assets	-	-	-	-	-	-	5,921	(6,792)	54,143	5,274
Total Business-Type Activities	2,916	3,242	1,947	584	183	95	6,029	(6,686)	54,640	5,866
Total Government-Wide	\$ 19,945,301	\$ 19,363,353	\$ 21,783,540	\$ 22,616,527	\$ 24,619,466	\$ 19,646,491	\$ 18,199,740	\$ 17,770,000	\$ 17,721,340	\$ 17,352,783
Change in Net Position:										
Governmental Activities	\$ 1,518,696	\$ 504,242	\$ 1,122,064	\$ 44,243	\$ 7,150,203	\$ 2,813,262	\$ 2,246,883	\$ 1,901,191	\$ 1,054,510	\$ 817,963
Business-Type Activities	36,238	23,533	(73,800)	21,571	29,708	(24,366)	(20,431)	(10,568)	48,047	48,733
Total District	\$ 1,554,934	\$ 527,775	\$ 1,048,264	\$ 65,814	\$ 7,179,911	\$ 2,788,896	\$ 2,226,452	\$ 1,890,623	\$ 1,102,557	\$ 866,696

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted for:										
Capital Reserve	\$ 4,995,086	\$ 4,938,768	\$ 5,860,728	\$ 5,182,609	\$ 4,657,173	\$ 3,064,793	\$ 3,361,643	\$ 2,686,673	\$ 2,277,373	\$ 1,468,436
Emergency Reserve	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Maintenance Reserve	962,782	651,782	965,782	965,782	965,782	865,782	978,607	1,013,607	443,607	440,924
Excess Surplus	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000	1,576,195	519,616	420,968
Excess Surplus - Designated for Subsequent Year's Expenditures	1,600,000	1,100,000	975,000	825,000	720,000	720,000	630,593	503,987	420,968	411,655
Assigned to:										
Other Purposes Designated for Subsequent Year's Expenditures	162,713	-	-	-	-	-	-	-	-	-
Unassigned	(621,021)	(288,504)	(315,906)	(368,193)	(356,354)	(43,660)	(439,172)	(1,056,580)	107,269	(236,786)
<b>Total General Fund</b>	<b>\$ 9,599,560</b>	<b>\$ 8,252,046</b>	<b>\$ 8,835,604</b>	<b>\$ 7,830,198</b>	<b>\$ 7,061,601</b>	<b>\$ 5,576,915</b>	<b>\$ 5,501,671</b>	<b>\$ 4,973,883</b>	<b>\$ 4,018,833</b>	<b>\$ 2,755,197</b>
All Other Governmental Funds:										
Assigned, Reported in:										
Debt Service Fund	\$ 19,365	\$ 193,862	\$ 46,242	\$ 99,829	\$ 39,779	\$ 17,762	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	392,422	392,422	623,006	627,711	2,987,248	6,845,151	115,069	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 411,787</b>	<b>\$ 586,284</b>	<b>\$ 669,248</b>	<b>\$ 727,540</b>	<b>\$ 3,027,027</b>	<b>\$ 6,862,913</b>	<b>\$ 115,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Local Tax Levy	\$ 8,594,216	\$ 8,432,729	\$ 8,474,755	\$ 8,126,448	\$ 7,835,278	\$ 7,400,372	\$ 7,350,372	\$ 7,300,372	\$ 7,157,227	\$ 7,016,889
Tuition Charges	544,287	377,752	204,659	243,834	141,226	162,954	314,831	272,924	86,665	283,447
Interest Earnings	7,077	12,287	22,192	26,500	14,785	23,608	5,800	3,585	8,938	36,787
Miscellaneous	178,945	146,958	287,606	128,480	140,479	45,105	269,844	73,944	54,167	76,145
State Sources	14,922,537	13,679,403	12,835,977	16,192,481	18,438,953	13,580,626	11,648,440	11,862,388	10,719,825	11,272,489
Federal Sources	866,671	1,369,345	1,423,603	1,453,796	1,366,224	1,065,102	1,143,492	1,076,200	1,306,874	1,319,101
<b>Total Revenue</b>	<b>25,113,733</b>	<b>24,018,474</b>	<b>23,248,792</b>	<b>26,171,539</b>	<b>27,936,945</b>	<b>22,277,767</b>	<b>20,732,779</b>	<b>20,589,413</b>	<b>19,333,696</b>	<b>20,004,858</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	6,262,749	5,663,494	5,809,949	5,682,083	5,559,807	5,387,538	5,487,411	5,213,542	5,214,002	5,519,336
Special Education Instruction	2,305,417	2,131,289	2,115,466	2,018,801	2,162,306	2,320,943	2,067,351	2,048,603	1,882,857	1,634,138
Other Special Instruction	469,999	519,880	449,465	467,110	506,400	439,399	447,418	450,180	426,607	415,335
<b>Support Services &amp; Undistributed Costs:</b>										
Tuition	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089	1,644,007	1,906,476
Student & Instruction Related Services	2,469,242	2,313,927	2,030,323	2,087,780	1,989,139	1,963,948	1,958,042	1,878,373	1,693,995	1,897,554
School Administrative Services	734,271	728,340	702,518	690,529	721,377	693,063	687,619	590,906	665,447	710,874
General Administrative Services	1,000,929	976,444	916,241	885,747	806,547	788,842	769,153	790,659	723,272	791,274
Plant Operations & Maintenance	2,026,773	2,447,302	1,747,414	1,818,580	1,790,757	1,762,335	1,761,756	1,743,398	1,412,694	1,303,527
Pupil Transportation	316,473	431,478	400,482	422,531	376,631	339,534	325,450	317,491	302,699	407,000
Unallocated Benefits	5,730,316	5,778,390	5,400,043	5,135,710	4,478,852	4,478,534	4,262,067	4,148,816	3,908,934	4,511,837
Interest & Other Charges	201,167	212,644	326,400	241,582	322,898	-	-	-	-	-
Capital Outlay	989,154	2,160,946	875,070	6,832,049	10,194,167	3,236,240	1,737,435	1,087,306	195,546	326,124
Debt Service:										
Principal	285,000	275,000	255,000	240,000	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>24,050,716</b>	<b>24,998,922</b>	<b>22,301,678</b>	<b>27,756,191</b>	<b>30,295,377</b>	<b>22,254,899</b>	<b>20,374,093</b>	<b>19,634,363</b>	<b>18,070,060</b>	<b>19,423,475</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>1,063,017</b>	<b>(980,448)</b>	<b>947,114</b>	<b>(1,584,652)</b>	<b>(2,358,432)</b>	<b>22,868</b>	<b>358,686</b>	<b>955,050</b>	<b>1,263,636</b>	<b>581,383</b>
<b>Other Financing Sources/(Uses):</b>										
Capital Leases	110,000	313,926	-	-	-	-	284,171	-	-	294,780
Bond Proceeds	-	-	-	-	6,800,220	-	-	-	-	-
Transfers In/(Out)	-	-	-	53,762	7,232	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>110,000</b>	<b>313,926</b>	<b>-</b>	<b>53,762</b>	<b>6,800,220</b>	<b>-</b>	<b>284,171</b>	<b>-</b>	<b>-</b>	<b>294,780</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,173,017</b>	<b>\$ (666,522)</b>	<b>\$ 947,114</b>	<b>\$ (1,530,890)</b>	<b>\$ (2,351,200)</b>	<b>\$ 6,823,088</b>	<b>\$ 642,857</b>	<b>\$ 955,050</b>	<b>\$ 1,263,636</b>	<b>\$ 876,163</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	1.24%	1.20%	1.19%	1.15%	-	-	-	-	-	-

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	MISCELLANEOUS	TOTAL
2020	\$ 102,970	\$ -	\$ 544,287	\$ 70,162	\$ 717,419
2019	-	12,287	377,752	125,898	515,937
2018	-	12,287	201,974	275,822	477,796
2017	-	22,192	243,834	120,591	366,875
2016	-	26,500	141,226	135,336	276,562
2015	3,846	14,785	162,954	32,791	205,437
2014	3,800	23,608	314,831	114,020	438,451
2013	1,585	5,800	272,924	44,559	322,653
2012	6,938	3,585	86,665	42,046	144,587
2011	49,283	8,938	283,447	46,025	396,251

Source: District records



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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED TAXABLE	(a) PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	(b) TOTAL DIRECT SCHOOL RATE	COUNTY EQUALIZED VALUE
2020	\$10,063,000	\$ 503,789,300	N/A	\$ 7,100	\$ 93,691,700	\$ 8,022,800	\$ 21,215,200	\$645,899,878	\$6,110,778	\$645,899,878	\$315,327,100	1.325	\$658,210,959
2019	11,234,300	503,795,500	N/A	7,100	93,878,300	8,022,800	20,242,100	637,180,100	6,002,524	643,182,624	310,697,500	1.315	626,691,338
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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

\*Revaluation completed by the Township for 2012

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF MOUNT HOLLY	REGIONAL SCHOOL DISTRICT	FIRE DISTRICT	BURLINGTON COUNTY	
2020	1.328	-	1.325	0.822	0.413	0.096	0.350	2.965
2019	1.315	-	1.315	0.822	0.369	0.097	0.328	2.931
2018	1.307	-	1.307	0.791	0.364	0.097	0.327	2.842
2017	1.279	-	1.279	0.746	0.361	0.096	0.314	2.796
2016	1.230	-	1.230	0.799	0.362	0.096	0.310	2.797
2015	1.130	-	1.130	0.718	0.349	0.091	0.306	2.594
2014	1.111	-	1.111	0.687	0.354	0.091	0.357	2.600
2013	1.092	-	1.092	0.638	0.372	0.090	0.366	2.558
2012	1.068	-	1.068	0.597	0.369	0.090	0.387	2.511
2011	2.171	-	2.171	1.154	0.747	0.179	0.860	5.111

Source: Municipal Tax Collector

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

TAXPAYER	2020		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties LLC	\$ 12,967,000	1	1.97%
Virtua Memorial Hospital	12,663,100	2	1.92%
Mount Holly Associates	10,576,100	3	1.61%
Verizon Property Tax Dept	8,277,678	4	1.26%
Mount Holly Equities	6,494,400	5	0.99%
Alaimo, Richard A	4,179,300	6	0.63%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
Public Storage Inc	2,349,700	8	0.36%
FRIA Properties, LLC	2,054,500	9	0.31%
US Bank Trust	1,915,600	10	0.29%
Total	<u>\$ 65,082,578</u>		<u>9.89%</u>

TAXPAYER	2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties, LLC	\$ 12,967,000	1	1.99%
Mount Holly Associates	12,018,100	2	1.85%
Verizon Property Tax Department	9,995,984	3	1.54%
Virtua Memorial Hospital	7,170,200	4	1.10%
Mount Holly Equities	6,365,800	5	0.98%
Richard A. Alaimo	4,537,600	6	0.70%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
K&S 100, LLC	3,609,500	8	0.40%
Baird, LLC % Marvin F. Poer	2,528,100	9	0.39%
Public Storage Inc.	2,349,700	10	0.36%
	<u>\$ 65,147,184</u>		<u>9.86%</u>

**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	
2020	\$ 8,594,216	\$ 8,594,216	100.00%	-
2019	8,432,729	8,432,729	100.00%	-
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%	-

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 <sup>a</sup>	PER CAPITA <sup>b</sup>
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2020	\$ 5,884,000	\$ 456,229	\$ 6,340,229	N/A	N/A
2019	6,169,000	452,366	6,621,366	N/A	694
2018	6,444,000	25,730	6,469,730	1.09%	677
2017	6,699,000	85,928	6,784,928	1.19%	707
2016	6,939,000	143,932	7,082,932	1.28%	739
2015	6,939,000	199,818	7,138,818	1.33%	747
2014	-	253,670	253,670	0.05%	27
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

**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 <sup>a</sup> OF PROPERTY	PER CAPITA <sup>b</sup>
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2020	\$ 5,884,000	\$ -	\$ 5,884,000	0.91%	N/A
2019	6,169,000	-	6,169,000	0.96%	646
2018	6,444,000	-	6,444,000	1.00%	674
2017	6,699,000	-	6,699,000	1.04%	698
2016	6,939,000	-	6,939,000	1.08%	724
2015	6,939,000	-	6,939,000	1.07%	727
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

- 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, 2020**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE <sup>a</sup>	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 18,797,051	100.000%	\$ 18,797,051
Rancocas Valley Regional High School	31,636,000	13.879%	4,390,724
Burlington County General Obligation Debt	221,311,009	1.298%	<u>2,872,605</u>
Subtotal, Overlapping Debt			26,060,380
Mount Holly School District			<u>5,884,000</u>
Total Direct & Overlapping Debt			<u>\$ 31,944,380</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 18,436,605	\$ 18,379,785	\$ 18,024,787	\$ 19,417,430	\$ 19,514,362	\$ 19,581,640	\$ 19,268,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864
Total Net Debt Applicable to Limit	5,884,000	6,169,000	6,444,000	6,699,000	6,939,000	6,939,000	-	-	-	-
Legal Debt Margin	\$ 12,552,605	\$ 12,210,785	\$ 11,580,787	\$ 12,718,430	\$ 12,575,362	\$ 12,642,640	\$ 19,268,751	\$ 19,258,106	\$ 19,299,240	\$ 19,968,864
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.91%	33.56%	35.75%	34.50%	35.56%	35.44%	-	-	-	-

**Legal Debt Margin Calculation for Fiscal Year 2020**

	Equalized Valuation Basis
2019	\$ 644,201,901
2018	615,508,645
2017	<u>602,788,754</u>
	<u>\$ 1,862,499,300</u>
Average Equalized Valuation of Taxable Property	<u>\$ 620,833,100</u>
Debt Limit ( 3.5% of Average Equalization Value)	\$ 18,624,993
Net Bonded School Debt	<u>5,884,000</u>
Legal Debt Margin	<u>\$ 12,740,993</u>

**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 <sup>a</sup>	PERSONAL INCOME <sup>b</sup>	PER CAPITA PERSONAL INCOME <sup>c</sup>	UNEMPLOYMENT RATE <sup>d</sup>
2019	9,547	N/A	N/A	4.7%
2018	9,560	593,867,200	62,120	5.5%
2017	9,595	569,837,455	59,389	4.2%
2016	9,579	553,685,358	57,802	4.5%
2015	9,551	537,358,362	56,262	7.0%
2014	9,503	510,881,280	53,760	8.5%
2013	9,361	483,233,542	51,622	10.8%
2012	9,394	480,099,158	51,107	14.3%
2011	9,500	475,152,000	50,016	13.8%
2010	9,556	462,453,064	48,394	14.1%

## Source:

a Population information provided by the NJ Department of Labor &amp; 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 YEARS**

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Instruction:</b>										
Regular	49	47	49	52	54	55	69	66	72	72
Special Education	20	15	15	13	16	20	28	30	27	23
Other Special Education	10	10	11	11	11	11	16	15	14	14
Other Instruction	21	19	18	17	15	11	11	11	9	9
<b>Support Services:</b>										
Student & Instruction Related Services	16	17	13	14	13	9	9	8	8	8
School Administrative Services	12	13	14	13	14	14	13	13	10	11
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	14	14	13	12	16	13	16	15	14	13
<b>Total</b>	<b>148</b>	<b>141</b>	<b>139</b>	<b>138</b>	<b>145</b>	<b>139</b>	<b>168</b>	<b>164</b>	<b>160</b>	<b>156</b>

**Source:** District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES <sup>a</sup>	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF <sup>b</sup>	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) <sup>c</sup>	AVERAGE DAILY ATTENDANCE (ADA) <sup>c</sup>	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2020	1,078	\$ 23,061,562	\$ 21,393	3.34%	100	1-12.0	1-8.7	1,086	1,050	2.13%	96.69%
2019	1,042	22,837,976	21,917	4.43%	91	1-12.6	1-10.2	1,064	1,010	2.91%	94.92%
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%

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Elementary Schools:</b>										
<b>Brainerd Elementary:</b>										
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	342	403	374	371	349	354	388	390	407	390
<b>Folwell Elementary (1950):</b>										
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	312	321	309	314	325	351	315	328	267	286
<b>Holbein Elementary (1964):</b>										
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	424	340	352	312	310	272	317	322	318	317
<b>Other:</b>										
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, 2020:

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
John Brainerd School	\$ 35,694	\$ 136,723	\$ 41,699	\$ 42,099	\$ 24,565	\$ 48,390	\$ 30,115	\$ 28,231	\$ 8,281	\$ 6,475
Gertrude Folwell School	61,772	181,044	36,039	33,639	34,063	75,722	56,359	46,045	20,707	17,388
F.W. Holbein Schools	84,118	254,438	44,020	51,608	60,880	62,437	63,460	47,284	89,308	29,596
<b>Total School Facilities</b>	<b>\$ 181,584</b>	<b>\$ 572,205</b>	<b>\$ 121,758</b>	<b>\$ 127,346</b>	<b>\$ 186,549</b>	<b>\$ 186,549</b>	<b>\$ 149,934</b>	<b>\$ 121,560</b>	<b>\$ 118,296</b>	<b>\$ 53,459</b>

\* 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, 2020**

	<b>Coverage</b>	<b>Deductible/Retention</b>
<b>Commercial Package Policy: (1)</b>		
Building & Contents (All locations)	\$ 45,671,769	\$1,000 D
Limits of Liability per occurrence	\$ 1,000,000	
Limits of Liability Aggregate	\$ 3,000,000	
Umbrella	\$ 10,000,000	\$10,000 R
Abuse & Molestation per occurrence	\$ 1,000,000	
Abuse & Molestation Aggregate	\$ 3,000,000	
Educators Legal Liability per occurrence	\$ 1,000,000	\$5,000 R
Educators Legal Liability Aggregate	\$ 3,000,000	\$5,000 R
Cyber Liability	\$ 1,000,000	\$10,000 D
Employee Benefit Liability per occurrence	\$ 1,000,000	\$1,000 R
Employee Benefit Liability Aggregate	\$ 3,000,000	\$1,000 R
Employment-Related Practices Liability	\$ 1,000,000	\$10,000 R
Crime – Employee Theft	\$ 100,000	\$500 D
<b>Excess Liability (2)</b>	<b>\$ 30,000,000</b>	
<b>Workers Compensation (3)</b>	Statutory	
<b>Employers Liability: (3)</b>		
Bodily Injury by Accident	\$ 3,000,000	
Bodily Injury by Disease	\$ 3,000,000	
Bodily Injury by Disease	\$ 3,000,000	
<b>Student Accident (4)</b>	<b>\$ 1,000,000</b>	
<b>Bonds (5)</b>		
Board Secretary/BA	\$ 250,000	
<b>Pollution Legal Liability (6)</b>	<b>\$ 1,000,000</b>	<b>\$10,000 R</b>

- (1) Utica National Insurance Group  
(2) Balken Risk Management Service  
(3) New Jersey Schools Insurance Group  
(4) Bob McCloskey Insurance  
(5) Selective Insurance Group  
(6) UCPM Insurance Agency

Source: District records.

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**SINGLE AUDIT SECTION**

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**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 (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 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 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,

**HOLT MCNALLY & ASSOCIATES, INC.**

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 8, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AND STATE 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 (the “School District”) 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, 2020. The 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 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 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, 2020.

### **Report on Internal Control Over Compliance**

Management of the 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.

**Purpose of this Report**

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,

**HOLT MCNALLY & ASSOCIATES, INC.**

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 8, 2021

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**MOUNT HOLLY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR PROGRAM TITLE	CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	ADJUSTMENTS	BALANCE AT JUNE 30, 2020 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
<b>U.S. Department of Agriculture</b>												
Pass Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program (Noncash Assistance)	10.555	20NJ304NI099	Unavailable	\$ 41,494	7/1/19-6/30/20	\$ -	\$ 41,494	(31,097)	-	-	\$ -	\$ 10,397
Food Distribution Program (Noncash Assistance)	10.555	19NJ304NI099	Unavailable	24,064	7/1/18-6/30/19	2,632	-	(2,632)	-	-	-	-
National School Lunch Program	10.555	20NJ304NI099	100-010-3350-026	204,947	7/1/19-6/30/20	-	204,947	(204,947)	-	-	-	-
COVID-19 National School Lunch Program	10.555	20NJ304NI099	100-010-3350-026	29,862	3/13/20-6/30/20	-	23,462	(29,862)	-	-	(6,400)	-
National School Lunch Program	10.555	19NJ304NI099	100-010-3350-026	277,371	7/1/18-6/30/19	(15,066)	15,066	-	-	-	-	-
Healthy Hungry Kids Act	10.555	20NJ304NI099	100-010-3350-026	5,614	7/1/19-6/30/20	-	5,614	(5,614)	-	-	(130)	-
COVID-19 Healthy Hungry Kids Act	10.555	20NJ304NI099	100-010-3350-026	609	3/13/20-6/30/20	-	479	(609)	-	-	-	-
Healthy Hungry Kids Act	10.555	19NJ304NI099	100-010-3350-026	6,914	7/1/18-6/30/19	(380)	380	-	-	-	-	-
After School Snack Program	10.555	20NJ304NI099	100-010-3350-026	8,762	7/1/19-6/30/20	(787)	8,762	(8,762)	-	-	-	-
After School Snack Program	10.555	19NJ304NI099	100-010-3350-026	17,880	7/1/18-6/30/19	(13,601)	300,991	(283,523)	-	-	(6,530)	10,397
Subtotal												
National Breakfast Program	10.553	20NJ304NI099	100-010-3350-028	56,793	7/1/19-6/30/20	-	56,793	(56,793)	-	-	-	-
COVID-19 National Breakfast Program	10.553	20NJ304NI099	100-010-3350-028	19,153	3/13/20-6/30/20	-	15,047	(19,153)	-	-	(4,106)	-
National Breakfast Program	10.553	19NJ304NI099	100-010-3350-028	79,658	7/1/18-6/30/19	(5,493)	5,493	-	-	-	-	-
Subtotal												
Total Child Nutrition Cluster												
<b>Total U.S. Department of Agriculture</b>												
<b>U.S. Department of Education</b>												
Pass Through New Jersey Department of Education:												
Title I - Part A - Current Year	84.010	S010A190030	100-034-5064-194	480,204	7/1/19-6/30/20	-	341,109	(351,795)	-	-	(10,686)	-
Title I - Part A - Prior Year	84.010	S010A180030	100-034-5064-194	476,145	7/1/18-6/30/19	(78,893)	79,888	(1,045)	-	50	-	-
Subtotal												
Title II - Part A - Current Year	84.367A	S367A190029	100-034-5063-290	45,767	7/1/19-6/30/20	-	37,190	(29,945)	-	-	-	7,245
Title II - Part A - Prior Year	84.367A	S367A180029	100-034-5063-290	57,308	7/1/18-6/30/19	(6,845)	15,358	(8,600)	-	87	-	-
Subtotal												
Title III - Current Year	84.365	S365A190009	100-034-5064-187	32,337	7/1/19-6/30/20	-	15,423	(24,011)	-	-	(8,588)	-
Title III - Prior Year	84.365	S365A180009	100-034-5064-187	21,023	7/1/18-6/30/19	(7,630)	8,325	(799)	-	104	-	-
Subtotal												
Title IV - Part A - Current Year	84.424	S424A190031	100-034-5069-031	27,782	7/1/19-6/30/20	-	23,000	(23,000)	-	-	-	-
Title IV - Part A - Prior Year	84.424	S424A180031	100-034-5069-031	28,161	7/1/18-6/30/19	(1,100)	7,491	(6,391)	-	-	-	-
Subtotal												
ARRA - Race To The Top - Preschool Development Grants	84.419	S419B150020	100-034-5069-031	515,752	7/1/18-6/30/19	(132,660)	132,660	-	-	-	-	-
Subtotal												
I.D.E.A. Part B (Special Education Cluster)	84.027	H027A190100	100-034-5065-016	415,527	7/1/19-6/30/20	-	372,799	(376,941)	-	-	(4,142)	-
Basic-Current Year	84.027	H027A180100	100-034-5065-016	385,441	7/1/18-6/30/19	(4,032)	4,032	-	-	-	-	-
Subtotal												
Preschool - Current Year	84.173	H173A190114	100-034-5065-020	11,455	7/1/19-6/30/20	-	11,455	(11,455)	-	-	-	-
Total Special Education Cluster												
<b>Total Department of Education</b>												
<b>U.S. Department of Health and Human Services</b>												
Pass Through New Jersey Department of Human Services:												
Medical Assistance Program (SEMI)	93.778	200SN5MAP	100-054-7540-211	32,877	7/1/19-6/30/20	-	32,877	(32,877)	-	-	-	-
Subtotal												
<b>Total U.S. Department of Health and Human Services</b>												
Total U.S. Department of Education												
Total Federal Financial Assistance												
<b>Total</b>												

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  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/ PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2020		MEMO			
									(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education:</b>														
<b>General Fund:</b>														
Equalization Aid	495-034-5120-078	\$8,335,842	7/1/19-6/30/20	\$ -	\$ 8,335,842	\$ (8,335,842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 829,237	\$ 8,335,842	
Adjustment Aid	495-034-5120-085	1,025,803	7/1/19-6/30/20	-	1,025,803	(1,025,803)	-	-	-	-	-	102,045	1,025,803	
Categorical Security Aid	495-034-5120-084	337,977	7/1/19-6/30/20	-	337,977	(337,977)	-	-	-	-	-	33,622	337,977	
Categorical Special Education Aid	495-034-5120-089	755,237	7/1/19-6/30/20	-	755,237	(755,237)	-	-	-	-	-	75,130	755,237	
Total State Aid Public		10,454,859		(10,454,859)								1,040,034	10,454,859	
Categorical Transportation Aid	495-034-5120-014	127,355	7/1/19-6/30/20	-	127,355	(127,355)	-	-	-	-	-	12,669	127,355	
Reimbursement of Nonpublic Transportation	19-103190	6,090	7/1/18-6/30/19	(6,090)	-	-	-	-	-	-	-	-	-	
Extraordinary Aid	495-034-5120-044	78,252	7/1/19-6/30/20	-	6,090	-	-	-	-	-	-	-	-	
Homeless Tuition Aid	495-034-5120-044	81,339	7/1/18-6/30/19	(81,339)	-	(78,252)	-	-	-	-	-	-	78,252	
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	N/A	75,847	7/1/18-6/30/19	(75,847)	-	-	-	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	100-034-5094-003	625,135	7/1/19-6/30/20	-	594,562	(625,135)	-	-	-	-	-	-	625,135	
Noncash Assistance:	100-034-5094-003	605,456	7/1/18-6/30/19	(30,143)	30,143	-	-	-	-	-	-	-	-	
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,861	7/1/19-6/30/20	-	1,861	(1,861)	-	-	-	-	-	-	1,861	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	1,675,667	7/1/19-6/30/20	-	1,675,667	(1,675,667)	-	-	-	-	-	-	1,675,667	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	621,641	7/1/19-6/30/20	-	621,641	(621,641)	-	-	-	-	-	-	621,641	
Total General Fund		13,669,364		(193,419)	13,584,770	(13,584,770)		(108,825)				1,082,703	13,584,770	
<b>Special Revenue Fund:</b>														
<b>New Jersey Nonpublic Aid:</b>														
Textbook Aid	100-034-5120-064	7,696	7/1/19-6/30/20	-	7,696	(7,646)	-	-	-	-	-	-	7,646	
Nursing Aid	100-034-5120-064	8,117	7/1/18-6/30/19	220	-	-	-	(220)	-	-	50	-	-	
Technology Aid	100-034-5120-070	14,162	7/1/19-6/30/20	-	14,162	(14,162)	-	-	-	-	-	-	14,162	
Technology Aid	100-034-5120-373	5,256	7/1/19-6/30/20	-	5,256	(4,029)	-	-	-	-	1,227	-	4,029	
Security Aid	100-034-5120-509	21,900	7/1/19-6/30/20	3,704	-	-	-	(3,704)	-	-	-	-	-	
Security Aid	100-034-5120-509	22,800	7/1/18-6/30/19	22,800	-	-	-	(22,800)	-	-	17,301	-	4,599	
Auxiliary Services:														
Compensatory Education	100-034-5120-067	29,609	7/1/19-6/30/20	-	29,609	(21,413)	-	-	-	-	8,196	-	21,413	
Compensatory Education	100-034-5120-067	28,765	7/1/18-6/30/19	40	-	-	-	(40)	-	-	-	-	-	
Handicapped Services:														
Examination & Classification	100-034-5120-066	14,493	7/1/19-6/30/20	-	14,493	(7,615)	-	-	-	-	6,878	-	7,615	
Examination & Classification	100-034-5120-066	9,105	7/1/18-6/30/19	1,273	-	-	-	(1,273)	-	-	-	-	-	
Corrective Speech	100-034-5120-067	12,499	7/1/19-6/30/20	-	4,557	(2,734)	-	-	-	-	1,823	-	2,734	
Corrective Speech	100-034-5120-067	8,723	7/1/18-6/30/19	8,663	-	-	-	(11,606)	-	-	-	-	-	
Supplemental Instruction	100-034-5120-066	557,800	7/1/18-6/30/19	40,438	-	-	-	(8,665)	-	-	40,438	-	-	
Preschool Education Expansion Aid	100-034-5120-086	1,136,772	7/1/19-6/30/20	161,035	1,136,772	(1,069,291)	-	-	-	-	228,516	-	1,069,291	
Preschool Education Aid														
Total Special Revenue Fund		1,234,445		249,779	1,131,489	(1,131,489)		(48,306)			35,475		1,131,489	
<b>Enterprise Fund:</b>														
State School Lunch Program	100-010-3360-067	6,358	7/1/19-6/30/20	-	4,679	(6,358)	-	-	-	(1,679)	-	-	6,358	
State School Lunch Program	100-010-3360-067	6,301	7/1/18-6/30/19	(339)	-	-	-	-	-	-	-	-	-	
Total Enterprise Fund		5,018		(339)	5,018	(6,358)		(1,679)					6,358	
Total State Financial Assistance		14,908,827		56,021	14,908,827	(14,722,617)		(48,306)		(110,504)	268,954	35,475	1,082,703	14,722,617
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	1,861	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-	1,861	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	1,675,667	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-	1,675,667	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	621,641	7/1/19-6/30/20	-	-	-	-	-	-	-	-	-	621,641	
Total State Financial Assistance subject to Calculation for Major Program Determination		12,423,448											12,423,448	

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, 2020**

**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, 2020. 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, 2020.

**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, 2020**

**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 \$206,278 for the general fund and \$(188) 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	\$ 32,877	\$ 13,515,100	\$ 13,547,977
Special Revenue Fund	833,794	1,407,437	2,241,231
Debt Service Fund	-	-	-
Food Service Fund	359,469	6,358	365,827
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,226,140</u>	<u>\$ 14,928,895</u>	<u>\$ 16,155,035</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, 2020.



**MOUNT HOLLY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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?	<u> X </u> yes	<u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> 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?	<u> </u> yes	<u> X </u> 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
100-034-5120-025	Preschool Aid

**MOUNT HOLLY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section II – Financial Statement Findings – N/A**

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.

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A**

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 Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE – N/A**

**MOUNT HOLLY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 – N/A

Federal Awards – N/A

State Financial Assistance – N/A