
Holmdel Township Board of Education
Monmouth County, New Jersey
Annual Comprehensive Financial Report



Year Ended June 30, 2021

HOLMDEL TOWNSHIP SCHOOL DISTRICT



HOLMDEL TOWNSHIP BOARD OF EDUCATION

HOLMDEL TOWNSHIP, NEW JERSEY

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
MICHAEL PETRIZZO**

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Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Annual Comprehensive Financial Report.

Introductory Section



HOLMDEL TOWNSHIP PUBLIC SCHOOLS

“A COMMITMENT TO EXCELLENCE”

March 9, 2022

Honorable President and Members
Of the Board of Education
Holmdel School District
County of Monmouth
Holmdel, NJ 07733

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Holmdel Township Public Schools District (District) for the fiscal year ended June 30, 2021, 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 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 as of June 30, 2021, and the respective changes in financial position and cash flows, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement management's discussion and analysis and should be read in conjunction with it), the District's organizational chart, roster of officials, and consultants and advisors. The financial section includes the independent auditor's report, management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial trends, revenue and debt capacity, demographic, and economic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual Single Audit in conformity with the requirements of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including this independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and recommendations, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general and vocational education as well as special education programs and services for students with disabilities. The District is comprised of two elementary schools, one middle school and one high school. The District's full-time student enrollment as of October 15, 2020 was 2,872.

ECONOMIC CONDITION AND OUTLOOK

The District's tax base is expected to remain stable due to its above-average wealth levels and continued development. The tax level has remained relatively stable in recent years due to savings realized from benefits, energy efficiencies and an increase in state aid funding. The District is required to meet federal and state student learning standards and special education requirements. The District has mitigated reliance on local property taxes by increasing revenue through enterprise fund initiatives and continued savings from energy conservation programs, and federal, state and county purchasing consortiums. The District anticipates maintaining its strong financial position given ongoing expenditure management, moderate but consistent increases, and forward-looking financial planning.

MAJOR INITIATIVES

The Holmdel Township community approved the District's Holmdel 2020 Initiative at the September 26, 2017 special election. This \$40.3 million school referendum project focused on academic, athletic and infrastructure improvements to all four schools, but the greatest enhancement was the expansion and renovation of the middle and high school into a state-of-the-art 7th-12th grade facility that supports the transformation of the adolescents who enter it as 7th graders into future-ready young adults. The Holmdel 2020 Initiative allowed the District to create a more appropriately flexible, student-centered, technology rich complex that will inspire and promote innovation at every turn, optimize the pace and focus of learning for all students and maintain our community's commitment to excellence in academics, athletics and the arts. On October 1, 2020, the community celebrated the successful completion of the Holmdel 2020 Initiative, on time and on budget. During the 2020-2021 school year, despite unprecedented challenges, the District completed the referendum projects on time and on budget.

Due to the pandemic, the District implemented the following measures to enhance the safety and health of all individuals: UV-C lighting for disinfecting after hours; bipolar ionization filtration units in HVAC systems; site signage, parking limitations and signage at school entries; thermal temperature detection devices at entries; physical barriers (such as sneeze guards) at vestibules, main and nurse offices; antimicrobial coatings on commonly used surfaces (such as doorknobs, push bars, railings, bathroom fixtures and playground equipment); directional decals on floors to separate hallways and indicate directions of travel for students, teachers and visitors; hand sanitizer dispensers in each classroom and key locations; adjusting the spacing of classroom and nurse office furniture for physical distancing; maintaining new, enhanced cleaning procedures; urinal partitions in men's and boy's restrooms; providing the necessary and appropriate PPE; Retro-commissioning the District HVAC systems.

INTERNAL ACCOUNTING CONTROLS

Management of the 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 judgements by management.

As a recipient of federal awards 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 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 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 state. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for 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 District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the School Board is to ensure that the District manages its budget and finance in a fiscally prudent and responsible way by establishing policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement of focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of PKF O'Connor Davies, LLP, Certified Public Accountants, 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 are 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.

ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Holmdel Board of Education for their efforts in ensuring fiscal responsibility to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,

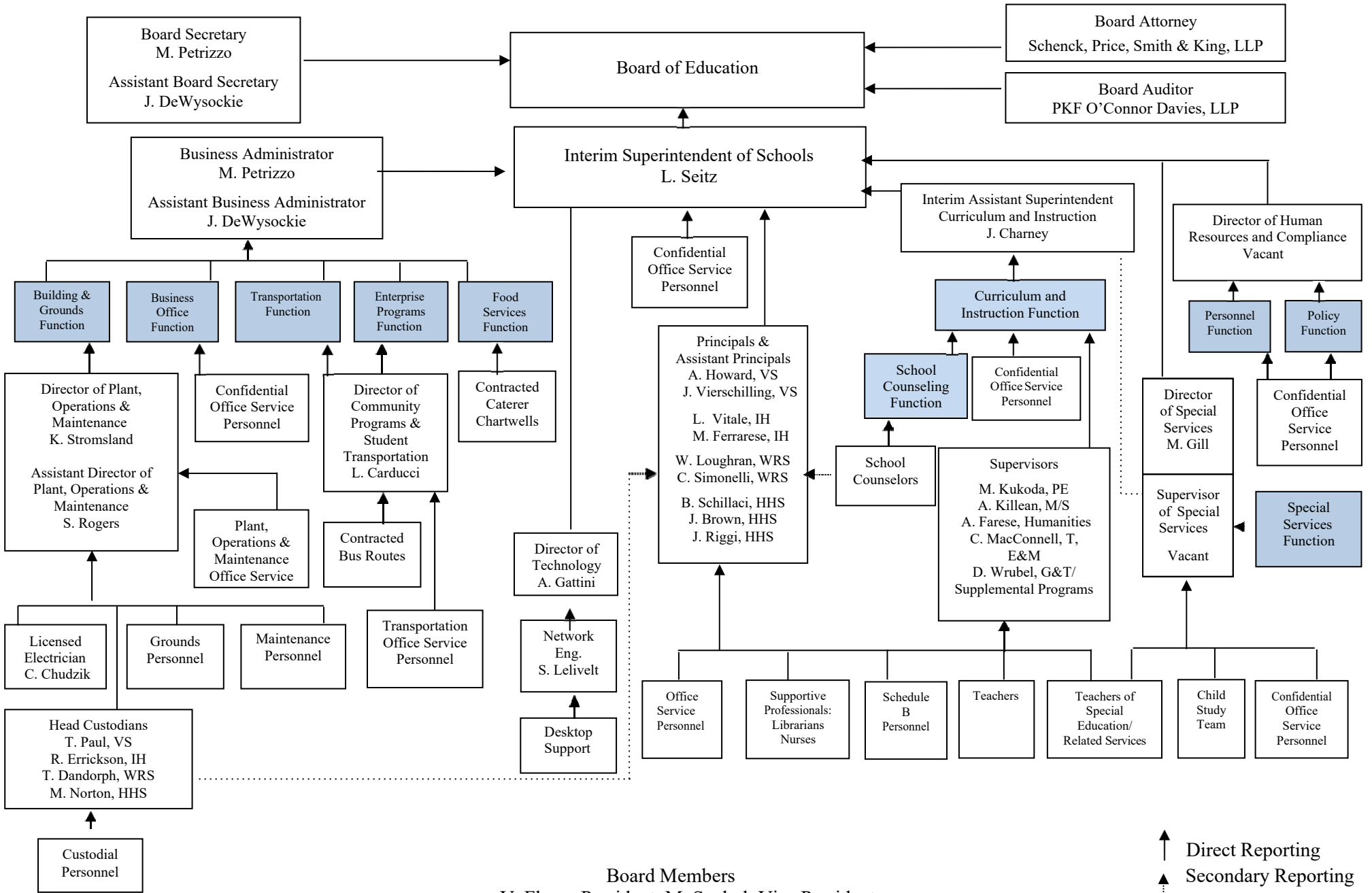


Arthur Howard
Acting Superintendent of Schools



Michael R. Petrizzo, CPA
Business Administrator/Board Secretary

HOLMDEL TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



Board Members
 V. Flynn, President, M. Sockol, Vice President
 E. Briamonte, B. Foster, J. Hammer, P. Reddy, E. Urbanski, T. Wall, L. Zhang

↑ Direct Reporting
 ▲ Secondary Reporting

Holmdel Township School District
Holmdel, New Jersey

Roster of Officials

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Vicky Flynn, President	2021
Mr. Michael Sockol, Vice President	2022
Ms. Eileen Briamonte	2023
Mr. Brian Foster	2021
Mr. Joseph Hammer	2022
Mr. Peter Reddy	2023
Ms. Elizabeth Urbanski	2022
Mr. Terence Wall	2021
Ms. Zhenling 'Linda' Zhang	2023

Other Officials

Dr. LeRoy Seitz, Interim Superintendent of Schools

Mr. Michael R. Petrizzo, School Business Administrator/ Board Secretary

Mr. Paul H. Green, Attorney, Schenck, Price, Smith & King

Holmdel Township School District

Holmdel, New Jersey
Consultants and Advisors
June 30, 2021

Independent Auditors

PKF O'Connor Davies, LLP
20 Commerce Drive
Suite 301
Cranford, New Jersey 07016

Attorney

Paul H. Green
Schenck, Price, Smith & King LLP
220 Park Avenue, P.O. Box 991
Florham Park, New Jersey 07932

Architect of Record

Spiezle Architectural Group
1395 Yardville Hamilton Square Road
Hamilton Township, New Jersey 08691

Official Depository

Bank of America
Hazlet Branch, Route 35
Hazlet, New Jersey 07730

Financial Section



Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**
County of Monmouth
Holmdel, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Holmdel School District, in the County of Monmouth, State of New Jersey (the "District"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Notes 1T and 17 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the OPEB liability associated with the District, and budgetary comparison information as presented 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 District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

Page 3

The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The 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 financial statements, 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 and statistical sections 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 March 9, 2022 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

March 9, 2022
Cranford, New Jersey



Michael Andriola, CPA
Licensed Public School Accountant
No. 2429

Required Supplementary Information – Part I

Management's Discussion and Analysis

Holmdel Township School District
Management's Discussion and Analysis
Year Ended June 30, 2021

As management of the Holmdel Township Public Schools District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 20 - 21 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on pages 22 - 23 of this report.

Proprietary funds. The District maintains two proprietary fund types. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and childcare programs both of which are considered major funds of the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 25 - 27 of this report.

The District also accounts for resources held for student activities and groups, scholarships, and payroll related liabilities. In accordance with the new Governmental Accounting Standards Board (GASB) Statement No. 84, which based on the District's administrative involvement now requires student activities and scholarships to be reported in the special revenue fund and payroll related liabilities and unemployment compensation fund activity in the general fund. See footnote 1C for more detail.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28 - 69 of this report.

Other required supplementary information. The Schedule of the State's Proportionate Share of the OPEB Liability Associated with the District and Schedule of Changes in the District's OPEB Liability are presented immediately following the notes to the basic financial statements and can be found on pages 70-71 of this report. The net pension liability-PERS, the schedule of District contributions-PERS, the schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and the notes to required supplementary information can be found on pages 72-73 of this report. The combining statements referred to earlier in connection with governmental and enterprise funds are presented thereafter. Combining and individual fund statements and schedules can be found on pages 74-98 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2021 and 2020:

	2021			2020 (Restated)		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 16,581,413	\$ 382,706	\$ 16,964,119	\$ 26,663,832	\$ 606,809	\$ 27,270,641
Capital assets, net	82,292,823	81,596	82,374,419	78,072,203	89,693	78,161,896
Total assets	98,874,236	464,302	99,338,538	104,736,035	696,502	105,432,537
Deferred outflows	2,994,433		2,994,433	4,223,893		4,223,893
Liabilities						
Current liabilities	6,358,654	114,562	6,473,216	6,837,628	92,744	6,930,372
Net pension liability	16,847,945		16,847,945	18,958,369		18,958,369
Long-term liabilities	40,082,728		40,082,728	43,008,663		43,008,663
Total liabilities	63,289,327	114,562	63,403,889	68,804,660	92,744	68,897,404
Deferred inflows	7,650,531		7,650,531	7,226,296		7,226,296
Net position						
Net investment in capital assets	42,696,500	81,596	42,778,096	46,106,571	89,693	46,196,264
Restricted	6,555,774		6,555,774	6,617,817		6,617,817
Unrestricted (deficit)	(18,323,463)	268,144	(18,055,319)	(19,795,416)	514,065	(19,281,351)
Total net position	\$ 30,928,811	\$ 349,740	\$ 31,278,551	\$ 32,928,972	\$ 603,758	\$ 33,532,730

Key financial highlights for the 2020-2021 fiscal year include the following:

- Governmental net position decreased \$2,000,161. A significant reason for the decrease in net position was attributable to a decrease of \$5,861,799 in governmental assets largely associated with the decrease of cash in the capital projects fund of about \$10,000,000 based on capital outlay expended during the year over \$11,000,000. This was offset by a decrease in the measured net pension liability of \$2,110,424 and a decrease in long-term liabilities of \$2,925,935. Significant changes to the net pension liability and deferred outflows and deferred inflows of resources pertain primarily to changes in assumptions calculated by the actuary for the measurement date of June 30, 2019 and rolled forward to June 30, 2020 to comply with GASB 68. The reduction to long-term liabilities was mainly driven by the required general obligation bond payments of \$2,400,000.
- Consistent with the prior year, the State withheld the school district's fiscal 2020-2021 last two state aid payments until July 2021.
- The decrease in governmental assets in the amount of \$5,861,799 is primarily driven by net effect of the acquisition of capital assets in the amount of \$4,220,620, net of current year depreciation expense offset by a correlated decrease in unrestricted governmental cash from the prior year in the amount of \$10,082,419. Unrestricted governmental cash stated in the current year's statement of net position (page 20) is \$14,325,755 compared to \$16,616,796 at June 30, 2020.

- The largest portion of the District's net position is net investment of capital assets of \$42,696,500 which results primarily from debt proceeds obtained to fund Capital Projects.
- An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, including funds reserved for future maintenance service, capital reserve, excess surplus and capital projects. Restricted net position decreased by \$62,043 during the year ended June 30, 2021 mainly due to deposits into the maintenance and capital reserves totaling \$1,100,000.
- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$18,323,463) resulted from the District's required proportionate share of the state-wide net pension liability resulting from the implementation of the prior year Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net pension liability calculated in accordance with this standard, which affected all school districts in the State of New Jersey, does not have an offsetting asset.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2021 and 2020 are as follows:

	2021			2020		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 517,631	\$ 138,963	\$ 656,594	\$ 283,048	\$ 1,067,499	\$ 1,350,547
Operating grants and contributions	2,361,517		2,361,517	1,854,180		1,854,180
General revenues:						
Property taxes	59,638,638		59,638,638	58,583,272		58,583,272
State and federal aid not restricted to a specific purpose	19,019,592		19,019,592	12,869,261		12,869,261
Interest income	1,407		1,407	554,642		554,642
Miscellaneous	356,040	14,041	370,081	151,638	30,629	182,267
Total revenue	81,894,825	153,004	82,047,829	74,296,041	1,098,128	75,394,169
Expenses:						
Instructional services	48,634,366		48,634,366	41,543,568		41,543,568
Support services	34,002,264		34,002,264	28,376,664		28,376,664
Interest on long term debt	1,258,356		1,258,356	1,410,366		1,410,366
Business Type Activities		407,022	407,022		1,183,382	1,183,382
Total expenses	83,894,986	407,022	84,302,008	71,330,598	1,183,382	72,513,980
Change in net position	(2,000,161)	(254,018)	(2,254,179)	2,965,443	(85,254)	2,880,189
Restatement to net position				385,035		385,035
Net position—beginning - restated	32,928,972	603,758	33,532,730	29,578,494	689,012	30,267,506
Net position—ending	\$ 30,928,811	\$ 349,740	\$ 31,278,551	\$ 32,928,972	\$ 603,758	\$ 33,532,730

Key financial highlights for the 2020-2021 fiscal year include the following:

- Governmental and business-type charges for services revenue decreased approximately \$700,000 in total compared to the prior year, resulting mainly from a decrease of food service charges for students in the District due to the COVID-19 pandemic halting regular food services during the school year.

- The increase in operating grants and contributions of approximately \$500,000 resulted from multiple rounds of federal grant funding to assist in school re-openings and enhance remote learning necessitated by the global pandemic, COVID-19.
- The large increase in federal and state aid not restricted to a specific purpose was impacted by GASB No. 75 due to various changes in the OPEB actuarial calculation to mortality and discount rates as well as changes in assumptions. The current year impact of this standard increased state revenue and overall governmental expenditures by approximately \$7,000,000. The remaining increase to overall expenditures was due to instruction program charges and On-behalf TPAF & pension contributions increasing by roughly \$2,000,000 each.
- Property tax revenue increased approximately \$1,000,000 to support the operating budget and aid in the finalization of the Holmdel 2020 school wide initiative, which included a series of scheduled school improvements to buildings, athletic areas and technology in the classrooms. This increase is under the maximum 2% levy cap allowed by the State of New Jersey. The overall total increase from 2019-2020 to 2020-2021 in state and federal aid was approximately \$6,100,000.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as either restricted, committed, assigned or unassigned.

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. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021, and the increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2020</u>	<u>Percent of Increase</u>
Local sources	\$ 60,648,584	77.15%	\$ 1,386,707	2.34%
State sources	16,413,404	20.88%	2,586,006	18.70%
Federal sources	1,552,928	1.97%	557,330	55.98%
Total	<u>\$ 78,614,916</u>	<u>100.00%</u>	<u>\$ 4,530,043</u>	<u>6.11%</u>

The increase in local sources is primarily due to an increase in the tax levy of approximately \$1,000,000. As mentioned above, the annual tax increase was predominately the result of supporting the operating budget and the Holmdel 2020 initiative, which included a series of educational, athletic and infrastructure improvements. The increase in state sources is largely a result of the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF social security, pension, medical and long-term disability contributions of approximately \$2,200,000.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2020</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 28,926,041	37.08%	\$ 2,290,685	8.60%
Support services	44,447,449	56.98%	3,762,237	9.25%
Capital outlay	807,857	1.04%	66,466	8.97%
Debt service:				
Principal	2,400,000	3.08%	(15,000)	-0.62%
Interest and Other Charges	1,423,585	1.82%	(86,850)	-5.75%
Total	\$ 78,004,932	100.00%	\$ 6,017,538	8.36%

The increase in instruction expenditures is mainly the result of an increase in salaries and wages, the cost of benefits as well as an increase in on-behalf TPAF social security, medical, long-term disability and pension contributions, which is also offset by a correlating revenue source.

General Fund

Fund balance in the General Fund increased by \$1,468,759. Of the \$11,265,404 fund balance in the General Fund, \$2,488,313 is restricted in the maintenance reserve, \$3,500,000 is restricted for capital reserve, \$169,810 is restricted for unemployment reserve, \$528,868 is assigned for other purposes, \$2,150,000 is designated for subsequent year expenditures and \$2,428,413 is unassigned.

Special Revenue Fund

Expenditures in the Special Revenue Fund increased approximately \$500,000 from the prior year as new awards were received and utilized in the current year to help mitigate the COVID-19 pandemic.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The fund balance in the Capital Projects Fund of \$2,705,817 is the result of the unspent proceeds from transfers from capital reserve and bond proceeds that are being used for ongoing capital projects throughout the District.

Business-Type Activities. The focus of the District's business-type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service, summer and after-school programs.

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.

The following schedule presents a summary of the Enterprise funds revenues for the fiscal year ended June 30, 2021, and the (decreases) and increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) from 2020</u>	<u>Percent of (Decrease)</u>
Local Sources:				
Daily Sales	\$ 65,184	42.60%	\$ (884,429)	-93.14%
Tuition	73,779	48.22%	(44,107)	-37.41%
Other	14,041	9.18%	(16,588)	-54.16%
Total	<u>\$ 153,004</u>	<u>100.00%</u>	<u>\$ (945,124)</u>	<u>-86.07%</u>

The decrease in daily sales attributable to mitigation of COVID-19 pandemic and the impact on the food service operations.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2021, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase From 2020</u>	<u>Percent of (Decrease) Increase</u>
Salaries and benefits	\$ 153,942	37.82%	\$ (38,754)	-20.11%
Purchased professional services	220,672	54.21%	(684,247)	-75.61%
Other purchased service	14,229	3.50%	1,230	9.46%
Supplies and materials	9,098	2.24%	(37,168)	-80.34%
Depreciation	8,097	1.99%	(5,788)	-41.69%
Utility expense	611	0.15%	18	3.04%
Other	373	0.09%	(11,651)	-96.90%
	<u>\$ 407,022</u>	<u>100.00%</u>	<u>\$ (776,360)</u>	<u>-65.61%</u>

The decrease in salaries and benefits and professional services is mainly attributable to adjusting operations due to the COVID-19 pandemic, which resulted in reduced operations during the current year.

Food Service Fund

The food service enterprise fund realized operating revenues of \$79,225 and achieved a net loss this year of \$164,146. The District experienced a significant decrease in sales due to reduced food service operations resulting from the COVID-19 pandemic.

Total operating expenses decreased from the prior year by \$722,789 or about 62% due to the decrease in cost of sales and supplies as a result of the COVID-19 pandemic. The net position of the food service fund, \$163,855 is comprised of net position - investment in capital assets of \$81,596 and unrestricted net position of \$82,259. The fund maintains sufficient cash on hand to ensure the operational requirements of running the program are met at any time.

Childcare Programs Fund

The Childcare Programs fund realized operating revenue of \$73,779 for the year ended June 30, 2021. Current year tuition revenues decreased from the prior year by \$44,107 as a result of the reduction of childcare-school program revenue when school operations decreased due to COVID-19.

Meanwhile, operating expenses decreased from the prior year by \$53,571 as a result of cost savings that were realized due to the reduced operations. The fund maintains sufficient cash on hand to ensure the operational requirements of running the program are met at any time.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2021, the District's governmental activities had capital assets of \$82,292,823 (net of accumulated depreciation), including land, construction in progress, school buildings, machinery, equipment and vehicles.

The District's governmental funds' capital assets, net of depreciation consisted of the following at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Land	\$ 5,122,300	\$ 5,122,300
Construction in progress	949,296	56,536,820
Buildings and building improvements, net	73,939,090	14,511,110
Machinery, equipment, and vehicles, net	2,282,137	1,901,973
Total capital assets, net	<u>\$ 82,292,823</u>	<u>\$ 78,072,203</u>

The increase in total capital assets is a result of capital asset additions exceeding depreciation expense during the fiscal year. More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. As of June 30, 2021, the District had outstanding long-term liabilities of \$59,919,605 of which \$2,988,932 was classified as the current portion.

At June 30, 2021 and 2020, the District's long-term liabilities consisted of:

	June 30,	
	2021	2020
Bonds payable	\$ 40,018,000	\$ 42,418,000
Unamortized premium on bonds	154,203	252,872
Unamortized premium on leases	55,937	73,148
Capital leases payable	2,074,000	2,574,600
Compensated absences payable	769,520	785,470
Net pension liability	16,847,945	18,958,369
Total long-term liabilities	<u>\$ 59,919,605</u>	<u>\$ 65,062,459</u>

Long-term liabilities decreased mainly due to the principal payments made on the bonds and leases, as well as the decrease in the District's measured net pension liability. More detailed information about the District's long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in realized revenues and expenditures for those lines where the final budgeted amounts differ from the actual amounts by more than \$500,000 and 5%. All other fluctuations less than \$500,000 and 5% are considered immaterial.

- On-behalf TPAF pension, medical, and long-term disability as well as reimbursed social security contributions are unbudgeted revenue sources. Consequently, actual revenues as well as the related expenditures exceeded the final budgeted amount by 100.0%.
- Unallocated benefits expenditures were \$1,117,319 less than budgeted, or 9.16% less, due primarily to savings realized on health insurance costs when the District joined the State Health Benefits insurance plan.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 65 McCampbell Road Holmdel, NJ 07733.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2021.

Holmdel Township School District

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,325,755	\$ 342,721	\$ 14,668,476
Accounts receivable	2,285,272	10,371	2,295,643
Internal balances	(29,614)	29,614	-
Capital assets, non-depreciable	6,071,596		6,071,596
Capital assets, depreciable, net	76,221,227	81,596	76,302,823
Total assets	<u>98,874,236</u>	<u>464,302</u>	<u>99,338,538</u>
Deferred Outflow Of Resources			
Pension deferrals	2,994,433		2,994,433
Total deferred outflows	<u>2,994,433</u>	-	<u>2,994,433</u>
Liabilities			
Accounts payable	2,088,185	29,371	2,117,556
Accrued interest payable	569,220		569,220
Intergovernmental payables - State	22,937		22,937
Unearned revenue	69,733	85,191	154,924
Payroll deductions and withholdings payable	436,388		436,388
Unemployment compensation claims payable	56,746		56,746
Accrued salaries and wages	106,342		106,342
Other liabilities	20,171		20,171
Net pension liability	16,847,945		16,847,945
Current portion of long-term obligations	2,988,932		2,988,932
Noncurrent portion of long-term obligations	40,082,728		40,082,728
Total liabilities	<u>63,289,327</u>	<u>114,562</u>	<u>63,403,889</u>
Deferred Inflow Of Resources			
Pension deferrals	7,650,531		7,650,531
Net Position			
Net investment in capital assets	42,696,500	81,596	42,778,096
Restricted for:			
Debt service fund	178,542		178,542
Capital reserve	3,500,000		3,500,000
Maintenance reserve	2,488,313		2,488,313
Unemployment reserve	169,810		169,810
Scholarships	29,466		29,466
Student Activities	189,643		189,643
Unrestricted (deficit)	<u>(18,323,463)</u>	<u>268,144</u>	<u>(18,055,319)</u>
Total net position	<u>\$ 30,928,811</u>	<u>\$ 349,740</u>	<u>\$ 31,278,551</u>

See accompanying notes to the basic financial statements.

Holmdel Township School District

Statement of Activities

Year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction	\$ 47,429,383	\$ 282,306	\$ 1,508,694	\$ (45,638,383)		\$ (45,638,383)
Support services:						
Instruction	1,204,983			(1,204,983)		(1,204,983)
Speech, OT, PT, and related services	2,045,656			(2,045,656)		(2,045,656)
Health services	859,985	235,325	614,271	(10,389)		(10,389)
Other support services	7,665,290			(7,665,290)		(7,665,290)
Improvement of instruction	2,226,882			(2,226,882)		(2,226,882)
Education media library	1,594,924			(1,594,924)		(1,594,924)
Other support: instruction staff	203,156			(203,156)		(203,156)
General administration	886,371			(886,371)		(886,371)
School administration	2,999,112			(2,999,112)		(2,999,112)
Central services	1,544,749			(1,544,749)		(1,544,749)
Admin IT	119,074		238,552	119,478		119,478
Required maintenance of plant services	2,360,539			(2,360,539)		(2,360,539)
Operation of plant	7,711,860			(7,711,860)		(7,711,860)
Care and Upkeep	151,925			(151,925)		(151,925)
Security	271,560			(271,560)		(271,560)
Student transportation	3,361,181			(3,361,181)		(3,361,181)
Interest on Long-term Debt Service	1,258,356			(1,258,356)		(1,258,356)
Total governmental activities	<u>83,894,986</u>	<u>517,631</u>	<u>2,361,517</u>	<u>(81,015,838)</u>		<u>(81,015,838)</u>
Business-type activities						
Food Service	243,371	65,184			\$ (178,187)	(178,187)
Childcare Programs	163,651	73,779			(89,872)	(89,872)
Total business-type activities	<u>407,022</u>	<u>138,963</u>	<u>-</u>		<u>(268,059)</u>	<u>(268,059)</u>
Total primary government	<u>\$ 84,302,008</u>	<u>\$ 656,594</u>	<u>\$ 2,361,517</u>		<u>(81,015,838)</u>	<u>(81,283,897)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				56,773,485		56,773,485
Property taxes, levied for debt service				2,865,153		2,865,153
State and federal sources—unrestricted				19,019,592		19,019,592
Interest Income				55,654		55,654
Miscellaneous				301,793	14,041	315,834
Total general revenues				<u>79,015,677</u>	<u>14,041</u>	<u>79,029,718</u>
Change in net position				(2,000,161)	(254,018)	(2,254,179)
Net Position—beginning (restated)				32,928,972	603,758	33,532,730
Net Position—ending				<u>\$ 30,928,811</u>	<u>\$ 349,740</u>	<u>\$ 31,278,551</u>

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Holmdel Township School District
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 10,530,870	\$ 219,109	\$ 3,376,311	\$ 199,465	\$ 14,325,755
Accounts receivable:					
State	1,314,988	2,699			1,317,687
Federal		605,134			605,134
Other	112,358	76,529	173,564		362,451
Interfund	804,750			548,297	1,353,047
Total assets	<u>\$ 12,762,966</u>	<u>\$ 903,471</u>	<u>\$ 3,549,875</u>	<u>\$ 747,762</u>	<u>\$ 17,964,074</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 864,819	\$ 64,043	\$ 2,142		\$ 931,004
Intergovernmental payables:					
State	1,272	21,665			22,937
Interfunds payable	29,614	528,921	824,126		1,382,661
Accrued salaries	106,342				106,342
Unearned revenue		69,733			69,733
Other liabilities	2,381		17,790		20,171
Payroll deductions and withholdings payable	436,388				436,388
Unemployment compensation claims payable	56,746				56,746
Total liabilities	<u>1,497,562</u>	<u>684,362</u>	<u>844,058</u>		<u>3,025,982</u>
Fund balances:					
Restricted for:					
Maintenance Reserve	2,488,313				2,488,313
Capital reserve account	3,500,000				3,500,000
Unemployment Reserve	169,810				169,810
Scholarships		29,466			29,466
Student Activities		189,643			189,643
Debt service				\$ 747,762	747,762
Capital projects			2,705,817		2,705,817
Assigned to:					
Other purposes	528,868				528,868
Designated for subsequent year's expenditures	2,150,000				2,150,000
Unassigned:	2,428,413				2,428,413
Total fund balances	<u>11,265,404</u>	<u>219,109</u>	<u>2,705,817</u>	<u>747,762</u>	<u>14,938,092</u>
Total liabilities and fund balances	<u>\$ 12,762,966</u>	<u>\$ 903,471</u>	<u>\$ 3,549,875</u>	<u>\$ 747,762</u>	

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 \$120,493,473 and the accumulated depreciation is \$38,200,650	82,292,823
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.	(569,220)
Unamortized premium on bonds and lease	(210,140)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(42,861,520)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(4,656,098)
Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(1,157,181)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(16,847,945)</u>
Net position of governmental activities	<u>\$ 30,928,811</u>

See accompanying notes to the basic financial statements.

Holmdel Township School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 56,773,485			\$ 2,865,153	\$ 59,638,638
Tuition	282,306				282,306
Interest Income	1,407		\$ 32,725	21,522	55,654
Miscellaneous	297,718	\$ 406,993	4,075		708,786
Total local sources	57,354,916	406,993	36,800	2,886,675	60,685,384
State sources	15,199,170	694,344		519,890	16,413,404
Federal sources	57,423	1,495,505			1,552,928
Total revenues	72,611,509	2,596,842	36,800	3,406,565	78,651,716
Expenditures					
Current:					
Instruction	26,358,314	1,508,694			27,867,008
Undistributed-current:					
Instruction	1,059,033				1,059,033
Speech, OT, PT, and related services	1,244,920				1,244,920
Health services	555,259				555,259
Other support services	3,871,953	888,081			4,760,034
Improvement of instruction	1,290,909				1,290,909
Education media library	913,922				913,922
Other support: instructional staff	136,144				136,144
General administration	619,164				619,164
School administration	1,710,533				1,710,533
Central services	905,592				905,592
Administrative information technology	67,516				67,516
Required maintenance of plant services	1,744,874				1,744,874
Operation of plant	5,287,796				5,287,796
Student transportation	2,860,779				2,860,779
Unallocated benefits	11,083,312				11,083,312
On-behalf TPAF social security and pension contributions	11,266,695				11,266,695
Capital outlay	569,305	238,552	11,206,398		12,014,255
Debt Service:					
Principal				2,400,000	2,400,000
Interest				1,423,585	1,423,585
Total expenditures	71,546,020	2,635,327	11,206,398	3,823,585	89,211,330
Excess (deficiency) of revenues over (under) expenditures	1,065,489	(38,485)	(11,169,598)	(417,020)	(10,559,614)
Other financing sources (uses)					
Transfers in	275,829			46,713	322,542
Transfers out			(322,542)		(322,542)
Total other financing sources (uses)	275,829	-	(322,542)	46,713	-
Net change in fund balances	1,341,318	(38,485)	(11,492,140)	(370,307)	(10,559,614)
Fund balances, July 1 - Restated	9,924,086	257,594	14,197,957	1,118,069	25,497,706
Fund balances, June 30	<u>\$ 11,265,404</u>	<u>\$ 219,109</u>	<u>\$ 2,705,817</u>	<u>\$ 747,762</u>	<u>\$ 14,938,092</u>

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of net position is presented in an accompanying schedule (B-3).

See accompanying notes to the basic financial statements.

Holmdel Township School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2)	\$ (10,559,614)								
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>									
<p>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.</p>									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Depreciation expense</td> <td style="width: 10%; text-align: right;">\$ (7,031,775)</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Capital Asset Additions</td> <td style="text-align: right;"><u>11,252,395</u></td> <td style="text-align: right;">4,220,620</td> </tr> </table>		Depreciation expense	\$ (7,031,775)			Capital Asset Additions	<u>11,252,395</u>	4,220,620	
	Depreciation expense	\$ (7,031,775)							
	Capital Asset Additions	<u>11,252,395</u>	4,220,620						
<p>The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.</p>									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Serial bonds payable</td> <td style="width: 10%; text-align: right;">2,400,000</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Obligations under capital leases</td> <td style="text-align: right;"><u>500,600</u></td> <td style="text-align: right;">2,900,600</td> </tr> </table>		Serial bonds payable	2,400,000			Obligations under capital leases	<u>500,600</u>	2,900,600	
	Serial bonds payable	2,400,000							
	Obligations under capital leases	<u>500,600</u>	2,900,600						
<p>Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Amortization of premium on bonds</td> <td style="width: 10%; text-align: right;">98,669</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Amortization of premium on leases</td> <td style="text-align: right;"><u>17,211</u></td> <td style="text-align: right;">115,880</td> </tr> </table>		Amortization of premium on bonds	98,669			Amortization of premium on leases	<u>17,211</u>	115,880	
	Amortization of premium on bonds	98,669							
	Amortization of premium on leases	<u>17,211</u>	115,880						
<p>In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>									
	49,349								
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>									
	15,950								
<p>In the statement of activities, prior year accrued salaries for future retroactive payments that were not paid with current financial resources were reported as a liability. These expenditures, however, were not reported under the modified accrual basis of accounting until paid with current financial resources.</p>									
	821,955								
<p>Changes to net pension liability, deferred outflows and deferred inflows reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>									
Pension expense and changes in pension deferrals	435,099								
Change in net position of governmental activities (A-2)	<u>\$ (2,000,161)</u>								

See accompanying notes to the basic financial statements.

Proprietary Funds

Holmdel Township School District
Proprietary Funds

Statement of Net Position

June 30, 2021

	Business-Type Activities Major Funds		Total
	Food Service	Childcare Programs	
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 123,142	\$ 219,579	\$ 342,721
Accounts Receivable	10,371		10,371
Interfund Receivable	28,085	1,529	29,614
Total - Current Assets	161,598	221,108	382,706
Noncurrent Assets:			
Furniture, Machinery and Equipment	448,689	25,840	474,529
Less:			
Accumulated Depreciation	(367,093)	(25,840)	(392,933)
Total - Noncurrent Assets	81,596	-	81,596
Total Assets	243,194	221,108	464,302
Liabilities and Net Position:			
Liabilities:			
Current Liabilities:			
Accounts Payable	27,398	1,973	29,371
Unearned Revenue	51,941	33,250	85,191
Total Liabilities	79,339	35,223	114,562
Net Position:			
Investment in Capital Assets	81,596		81,596
Unrestricted	82,259	185,885	268,144
Total Net Position	\$ 163,855	\$ 185,885	\$ 349,740

See accompanying notes to the basic financial statements.

Holmdel Township School District
Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

	Business-Type Activities Major Funds		<u>Total</u>
	<u>Food Service</u>	<u>Childcare Programs</u>	
Operating Revenues:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 65,184		\$ 65,184
Tuition		\$ 73,779	73,779
Miscellaneous Revenue	14,041		14,041
Total Operating Revenues	<u>79,225</u>	<u>73,779</u>	<u>153,004</u>
Operating Expenses:			
Salaries		153,942	153,942
Purchased Professional/Technical Services	220,672		220,672
Other Purchased Service	14,229		14,229
Repairs and Maintenance	373		373
Supplies and Materials		9,098	9,098
Depreciation	8,097		8,097
Utilities Expense		611	611
Total Operating Expenses	<u>243,371</u>	<u>163,651</u>	<u>407,022</u>
Operating (Loss)	(164,146)	(89,872)	(254,018)
Total Net Position - Beginning	<u>328,001</u>	<u>275,757</u>	<u>603,758</u>
Total Net Position - Ending	<u>\$ 163,855</u>	<u>\$ 185,885</u>	<u>\$ 349,740</u>

See accompanying notes to the basic financial statements.

Holmdel Township School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2021

	Business-Type Activities Major Funds		
	<u>Food Service</u>	<u>Childcare Programs</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts From Customers	\$ 75,896	\$ 107,029	\$ 182,925
Payments To Employees		(153,942)	(153,942)
Payments To Suppliers	(248,627)	(7,788)	(256,415)
Net Cash (Used For) Operating Activities	(172,731)	(54,701)	(227,432)
Cash Flows From Noncapital Financing Activities:			
Interfund Transfers, net	(28,085)	30,091	2,006
Net Cash (Used For)/Provided By Noncapital Financing Activities	(28,085)	30,091	2,006
Net (Decrease) in Cash and Cash Equivalents	(200,816)	(24,610)	(225,426)
Balance - Beginning of Year	323,958	244,189	568,147
Balance - End of Year	<u>\$ 123,142</u>	<u>\$ 219,579</u>	<u>\$ 342,721</u>
Reconciliation of Operating Income To Net Cash (Used For) Operating Activities:			
Operating (Loss)	\$ (164,146)	\$ (89,872)	\$ (254,018)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided By/(Used For) Operating Activities:			
Depreciation	8,097		8,097
(Increase) in Accounts Receivable	(3,329)		(3,329)
Increase in Accounts Payable	17,267	1,921	19,188
(Decrease)/Increase in Unearned Revenue	(30,620)	33,250	2,630
Total Adjustments	(8,585)	35,171	26,586
Net Cash Provided By/(Used For) Operating Activities	<u>\$ (172,731)</u>	<u>\$ (54,701)</u>	<u>\$ (227,432)</u>

See accompanying notes to the basic financial statements.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the Holmdel Township School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies area described below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Holmdel Township School District in Holmdel Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental and proprietary fund as a major fund and each major individual fund is reported as separate columns in the fund financial statements. The NJDOE believes the presentation of all funds as major is important for public interest and to promote consistency among New Jersey School District financial reporting.

C. 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 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 for 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.

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 period, except for reimbursement grants, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

However, debt services expenditures, as well as expenditures related to compensated absences, the net pension liability and capital leases, are recorded only when payment is due. For this purpose, the District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, interest, and state and federal equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported 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 subfund. Since the District's unemployment and payroll agency funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective June 30, 2021.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations. Since the District's scholarship and student activity funds do not meet the new criteria defined by the new of Government Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective with the year ending June 30, 2021.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Enterprise Funds (Food Service, and Childcare Programs): The enterprise funds account for all revenues and expenses pertaining to the cafeteria and the summer, Pre-k and before/after-school programs. The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

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.

Proprietary funds distinguish operating revenue 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 District enterprise funds are charges for sales of food, and tuition for the summer and after-school programs. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. 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 Monmouth County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution.

Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditure in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments 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 report.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

E. 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.

F. Inventories

Food service fund inventories are the property of the food service management company. They are recorded at market value at the time of donation, which approximates current market value, using the first-in, first-out (FIFO) method.

G. Tuition

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the current fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Land was valued at assessed value based upon information received from the Township of Holmdel. Donated capital assets are valued at acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Land Improvements	10-20
Building and improvements	10-50
Furniture and equipment	5-20
Vehicles	5-10

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation time. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service. Sick leave benefits are eligible for payment to employees upon retirement under the required terms of the NJ Division of Pension & Benefits as follows: the employee has reached age 55 and 25 years of service, or the employee has reached age 60 with no length of service requirement.

The liability for vested compensated absences of the district is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$769,520 and no liability existed for compensated absences in the enterprise funds.

J. Unearned Revenue

Unearned revenue in the general and special revenue fund represents cash which has been received but not yet earned, and outstanding encumbrances in the special revenue fund. Unearned revenue in the other enterprise funds represents cash received in advance of the related services being provided.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

K. Deferred Outflows/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. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions. 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond and lease premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond and lease premiums and discounts, as well as bond and lease issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$11,525,939 of budgetary basis fund balance in the General Fund, \$3,500,000 has been restricted in the capital reserve account, \$2,488,313 has been restricted in the maintenance reserve account, \$169,810 has been restricted in the unemployment reserve, \$2,150,000 is designated for future years expenditures, \$528,868 of encumbrances are assigned to other purposes and \$2,688,948 is unassigned.

N. Net Position and Fund Balance/Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

Q. 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, as amended.

New Jersey school districts are required to reserve fund balance in the general fund 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 District's excess fund balance at June 30, 2021 was \$0.

R. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*" The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

S. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), 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 school district is situated are authorized to enter into tax abatement agreements.

Furthermore 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (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. There have been no material tax abatement agreements entered into by the Township that will affect the District.

T. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a “fiduciary activity,” then it is a “governmental activity.” The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District’s payroll and agency activity will now be reported in the general fund and the District’s scholarship and student activity funds will be reported in the special revenue funds as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

U. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 9, 2022, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases payable, unamortized premium on bonds, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$43,071,660 difference are as follows:

Bonds payable	\$ 40,018,000
Capital leases payable	2,074,000
Unamortized premium on bonds	154,203
Unamortized premium on leases	55,937
Compensated absences	<u>769,520</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 43,071,660</u>

3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 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 Government Units from a 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 last 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

3. Deposits and Investments (continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2021, the District's carrying amount of deposits was \$8,861,640 and the bank balance was \$10,654,114.

Of the bank balance, \$296,038 was secured by federal depository insurance and \$5,023,153 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$5,334,923 held in the District's agency accounts are not covered by GUDPA.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

3. Deposits and Investments (continued)

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Board to purchase the following types of investments:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank which have a maturity date not greater than twelve months from the date of purchase.
- c. State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).
- d. Bonds or other obligations of the School District.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

The pooled shares are equal to the value of the District's shares. The investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

3. Deposits and Investments (continued)

Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2021 the District's balance was \$862,712. All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is accumulating to as additional protection for the "Other-Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Custodial Credit Risk: The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

New Jersey Asset & Rebate Management Program

The New Jersey Asset & Rebate Management Program (the "NJ/ARM Program" "NJ/ARM") was created in 1989 as a joint investment trust under the Interlocal Services Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, and general operating funds.

In addition, the Program offers investment management and arbitrage rebate compliance services for tax-exempt bond and note proceeds.

NJ/ARM offers its Investors the benefit of a professionally managed investment program with multiple investment options.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

3. Deposits and Investments (continued)

The NJ/ARM Joint Account provides a convenient vehicle for local governments to pool funds for short-term investment to meet daily liquidity needs. For longer-term investment strategies, the Individual Portfolio provides for customized investment portfolios of permitted securities pursuant to New Jersey statutes.

The primary goal of the NJ/ARM Program is safety and security of the local government funds entrusted to it. The Joint Account portfolio is rated AAA by the Standard & Poor's (an independent rating company) which is the highest rating available. The Program is designed to comply with all New Jersey statutes and regulations for the permitted investment of public funds. At June 30, 2021, the District's balance in the NJARM was \$4,944,124.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,122,300			\$ 5,122,300
Construction in progress	56,536,820	\$ 10,009,358	\$ (65,596,882)	949,296
Total capital assets, not being depreciated	61,659,120	10,009,358	(65,596,882)	6,071,596
Capital assets, being depreciated:				
Buildings and building improvements	39,221,898	6,316	65,596,882	104,825,096
Machinery, equipment and vehicles	8,360,060	1,236,721		9,596,781
Total capital assets being depreciated	47,581,958	1,243,037	65,596,882	114,421,877
Less accumulated depreciation for:				
Buildings and building improvements	24,710,788	6,175,218		30,886,006
Machinery, equipment and vehicles	6,458,087	856,557		7,314,644
Total accumulated depreciation	31,168,875	7,031,775	-	38,200,650
Total capital assets, being depreciated, net	16,413,083	(5,788,738)	65,596,882	76,221,227
Governmental activities capital assets, net	\$ 78,072,203	\$ 4,220,620	\$ -	\$ 82,292,823

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2021 as follows:

Instruction	\$ 3,986,425
Speech, OT, PT, and related services	171,568
Health services	76,523
Other support services	656,002
Improvement of instruction	177,906
Education media library	125,952
Other support: instruction staff	18,763
General administration	85,330
School administration	235,736
Central services	124,804
Administration information technology	9,305
Required maintenance of plant services	240,469
Operation of plant	728,735
Student transportation	394,257
Total depreciation expense - governmental activities	\$ 7,031,775

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Reductions/ Adjustments	Ending Balance
Business-type activities				
Capital assets, being depreciated:				
Equipment	\$ 572,272		\$ 123,583	\$ 448,689
Less accumulated depreciation for:				
Equipment	482,579	\$ 8,097	123,583	367,093
Total business-type activities capital assets, net	\$ 89,693	\$ (8,097)	\$ -	\$ 81,596

5. Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 785,470	\$ 271,457	\$ 287,407	\$ 769,520	\$ 76,952
Bonds payable	42,418,000		2,400,000	40,018,000	2,455,000
Unamortized premium on bonds	252,872		98,669	154,203	98,669
Unamortized premium on leases	73,148		17,211	55,937	17,211
Capital lease payable	2,574,600		500,600	2,074,000	341,100
Subtotal	46,104,090	271,457	3,303,887	43,071,660	2,988,932
Net pension liability	18,958,369		2,110,424	16,847,945	
Governmental activity long-term liabilities	\$ 65,062,459	\$ 271,457	\$ 5,414,311	\$ 59,919,605	\$ 2,988,932

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

The District expects to liquidate the compensated absences, capital lease payments, and net pension liabilities with payments made from the District's general fund and the bonds payable from the debt service fund.

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on all serial bonds outstanding is as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
Year ending June 30:					
2022	\$ 2,455,000	\$	1,337,335	\$	3,792,335
2023	2,510,000		1,249,373		3,759,373
2024	1,938,000		1,158,723		3,096,723
2025	1,975,000		1,095,738		3,070,738
2026	2,035,000		1,031,550		3,066,550
2027-2031	11,135,000		4,125,712		15,260,712
2032-2036	12,770,000		2,196,837		14,966,837
Thereafter	5,200,000		273,000		5,473,000
	<u>\$ 40,018,000</u>	<u>\$</u>	<u>12,468,268</u>	<u>\$</u>	<u>52,486,268</u>

In October 2015, the District issued \$7,740,000 of Refunding School Bonds to provide resources to refund a portion of the District's outstanding debt. The bonds are due to mature annually through the 2023 fiscal year in installments ranging from \$1,090,000 to \$1,210,000 at an annual interest rate of 4.00%.

In April 2018, the District issued \$40,318,000 of School Bonds to complete an Educational, Athletic & Infrastructure Enhancement capital project. The bonds are due to mature annually through the 2038 fiscal year in installments ranging from \$1,365,000 to \$2,600,000 at annual interest rates ranging from 3.25% to 3.50%.

Capital Leases Payable

The School District has entered into capital lease agreements for equipment purchases and to fund Capital Projects. All capital leases are for terms of five to fifteen years. The following is a schedule of the remaining future minimum lease payments as of June 30, 2021:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

	<u>Lease Amount</u>
Year:	
2022	\$ 446,288
2023	447,158
2024	279,761
2025	282,133
2026	112,521
2027-2031	604,073
2032-2033	<u>262,359</u>
Total minimum lease payments	2,434,293
Less amounts representing interest	<u>(360,293)</u>
Present value of net minimum lease payments	<u>\$ 2,074,000</u>

Capital leases were acquired to purchase the following assets:

	<u>Governmental Activities</u>
Asset:	
Buildings and Building Improvements	\$ 1,475,000
Machinery, equipment and vehicles	2,963,151
Less: Accumulated depreciation	<u>(1,669,196)</u>
Total	<u>\$ 2,768,955</u>

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer defined benefit plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer defined benefit plan.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey statute based upon their tier.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS have increased to the final phase in rate of 7.5% of employees' annual compensation, effective July 1, 2018. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$9,238,972 to the TPAF for normal costs of pension, post-retirement medical and long-term disability insurance benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,027,723 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2021, 2020, and 2019 were \$1,157,181, \$1,135,551, and \$1,028,788, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$16,847,945 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.1033148180%, which was a decrease of 0.001901432% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$435,099 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 306,773	\$ 59,582
Changes of assumptions	546,566	7,054,394
Net difference between projected and actual earnings on pension plan investments	575,876	
Changes in proportion	408,037	536,555
District contributions subsequent to the measurement date	1,157,181	
	\$ 2,994,433	\$ 7,650,531

\$1,157,181 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (1,997,600)
2023	(1,946,474)
2024	(1,231,224)
2025	(531,964)
2026	(106,017)
	\$ (5,813,279)

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2020</u>
Inflation rate	
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

The actuarial assumptions used in the July 1, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Mortality Rates

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. Mortality improvement is based on Scale MP-2019. 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.40%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Investment grade credit	8.00%	2.67%
High yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
US Equity	27.00%	7.71%
Non-US developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
	<u>100.00%</u>	

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 21,208,752	\$ 16,847,945	\$ 13,147,681

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$	2,347,583,337
Collective deferred inflows of resources		7,849,949,467
Collective net pension liability		16,435,616,426
District's Proportion		0.1033148180%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, and 2015 is 5.16, 5.21, 5.63, 5.48, 5.57, and 5.72 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2020 was \$154,562,974. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2019, which was rolled forward to June 30, 2020.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

The State's proportionate share of the net pension liability associated with the District was based on a 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, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2347240672%, which was a decrease of 0.0018594089% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$7,525,995 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2020</u>
Inflation rate	2.75%
Wage rate	3.25%
Salary increases	
2011-2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2020 are summarized in the following table:

Asset Class	June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.40%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Investment grade credit	8.00%	2.67%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. 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 based on 78% of the actuarially determined contributions for the State.

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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>At 1% Decrease (4.40%)</u>	<u>At Current Discount Rate (5.40%)</u>	<u>At 1% Increase (6.40%)</u>
State's proportionate share of the net pension liability associated with the District	\$ 181,552,315	\$ 154,562,974	\$ 132,152,857

Pension plan fiduciary net position

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

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$	9,626,548,228
Collective deferred inflows of resources		14,591,988,841
Collective net pension liability		65,993,498,688
District's Proportion		0.2347240672%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.99, 8.04, 8.29, 8.30, 8.30, and 8.30 years, respectively.

7. Post-retirement Benefits

Plan Description

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-retirement Benefits (continued)

Funding Policy

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the State Health Benefits Plan for post-retirement benefits for the years ended June 30, 2021, 2020, and 2019, respectively, were \$2,203,685, \$2,192,650, and \$2,154,785.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The net OPEB liability from New Jersey's plan is \$67,809,962,608.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-retirement Benefits (continued)

The following employees were covered by the benefit terms:

Local Education	June 30, 2020
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,108

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2020 was \$147,602,806, or 0.22%. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

Inflation rate	2.50%	
	TPA/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on age
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on age

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-retirement Benefits (continued)

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF/ABP) and, “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation was based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, for TPAF and PERS, respectively.

Healthcare Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%. For the Medicare Part B reimbursement rate, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-retirement Benefits (continued)

Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

Balance at June 30, 2020		\$ 91,014,921
Increased by:		
Service cost	\$ 3,696,180	
Interest cost	3,271,658	
Changes of assumptions	26,961,961	
Member contributions	77,886	
Differences between expected and actual experiences	<u>25,149,843</u>	
		<u>59,157,528</u>
Subtotal		150,172,449
Decreased by:		
Gross benefit payments	<u>2,569,643</u>	
		<u>2,569,643</u>
Balance at June 30, 2021		<u>\$ 147,602,806</u>

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.

	1% Decrease (1.21%)	At Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 177,942,801	\$ 147,602,806	\$ 123,879,852

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-retirement Benefits (continued)

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 119,149,963	\$ 147,602,806	\$ 181,483,819

OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,159,771 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$(19,101,933,244)
Collective OPEB expense	\$ 3,337,755,596
District's Proportion	0.22%

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

8. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 804,750	\$ 29,614
Special Revenue Fund		528,921
Capital Projects Fund		824,126
Debt Service Fund	548,297	
Food Service Enterprise Fund	28,085	
Childcare Programs Enterprise Fund	1,529	
	<u>\$ 1,382,661</u>	<u>\$ 1,382,661</u>

The interfund receivable in the general fund resulted primarily from a cash loan to the special revenue fund to clear a pooled cash deficit in the amount of \$528,921. The remaining amount of \$275,829 relates to the balance of a capital project in the capital projects fund that was closed out. Since this project was initially funded with the local share of a School Development Authority project the amount remaining after the close out of the project is due back to the general fund. The general fund interfund receivable in the debt service fund resulted primarily from significant interest received in the capital projects fund in the amount of \$479,459 that resulted from high cash balances in the capital projects fund during the prior year. The remaining difference of \$68,838 in the debt service interfund receivable was primarily driven by a remaining balance of a capital project that was closed out in the capital projects fund in the amount of \$46,713. Since this project was initially funded with a bond referendum, the funds are due back to the debt service fund.

The interfund payable in the general fund results from a cash loan made to the childcare program enterprise fund. The interfund between the capital projects fund and debt service fund was established to remit interest earned in the capital projects fund to the debt service fund for future debt service payments.

9. Economic Dependency

The 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 District's programs and activities.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

10. Contingent Liabilities

Grants

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

Unemployment

During fiscal year 2021, the New Jersey Department of Labor has been delayed in issuing billed to New Jersey governmental units, and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be approximately \$226,556, however, it is expected that the Federal Government, through the CARES act, will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

11. Risk Management

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

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method."

Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

11. Risk Management (continued)

The following is a summary of reimbursements to the State for benefits paid and the ending balance of the school District’s unemployment compensation fund for the current and previous two years:

Fiscal Year	Employee Contributions	Amount Reimbursed	Ending Balance
2020-2021	\$ 99,115		\$ 226,556
2019-2020	74,497	\$ 172,404	127,441
2018-2019	75,854	69,094	225,348

Joint Insurance Pool

The School District also participates in the Monmouth Ocean County Shared Service Fund and public entity risk pool. The pool provides its members with the following coverage: property – blanket building & grounds, boiler & machinery, School Board legal liability, general & automobile liability, workers’ compensation, and comprehensive crime coverage.

12. Deferred Compensation

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

13. Transfers – Reconciliation

The following presents a reconciliation of transfers during the fiscal year ended June 30, 2021:

	In	Out
Capital Projects Fund		\$ 322,542
General Fund	\$ 275,829	
Debt Service Fund	46,713	
	\$ 322,542	\$ 322,542

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

13. Transfers – Reconciliation (continued)

The transfer from the capital projects fund to the general fund in the amount of \$275,829 represents a transfer of remaining funds after the close out of the project that was funded by the local share of a School Development Authority project. The transfer of \$46,713 from the capital projects fund to the debt service fund represents a transfer of unused bond referendum funds for a completed capital project.

14. Capital Reserve Account

A capital reserve account was established by the 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 District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A 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 to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A: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 01, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 2,500,000
Deposits:	
Approved at the June 2021 Board meeting	<u>1,000,000</u>
Ending balance, June 30, 2021	<u>\$ 3,500,000</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

15. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution 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. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Beginning balance, July 1, 2020	\$ 2,388,313
Increase:	
Deposit approved at the June 2021 Board meeting	<u>100,000</u>
Ending balance, June 30, 2021	<u>\$ 2,488,313</u>

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line - item appropriation amounts, or both. The 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 to N.J.S.A. 19:60-2.

Pursuant to NJ.AC. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

16. Commitments

There was \$2,705,817 of contractual commitments at June 30, 2021 to vendors related to ongoing construction projects which is reported as restricted for capital projects in the Capital Projects Fund. There were contractual commitments in the general fund in the amount of \$528,868, the special revenue fund in the amount of \$60,758 at June 30, 2021 which are reported as assigned to other purposes.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

17. Change in Accounting Principal / Restatement

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement *No. 84, Fiduciary Activities* as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the governmental fund financial statements.

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$	10,044,412
General Fund Adjustments		
Recognition of the Following June 30, 2020 Balances:		
Unemployment compensation net position		127,441
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	\$	10,171,853
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	\$	-
Special Revenue Fund Adjustments		
Recognition of the Following June 30, 2020 Balances:		
Scholarship net position		35,666
Due to student groups		221,928
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules E-1 and C-2 at June 30, 2020 (as restated)	\$	257,594
Beginning General Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020	\$	9,796,645
General Fund Adjustments		
Recognition of the Following June 30, 2020 Balances:		
Unemployment compensation net position		127,441
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	\$	9,924,086
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$	32,543,937
Adjustments to Government-Wide Net Position		
Recognition of the Following June 30, 2020 Balances:		
Unemployment compensation net position		127,441
Scholarship net position		35,666
Due to student groups		221,928
Total		385,035
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	\$	32,928,972

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for Pensions
and OPEBs
(GASB 68 and GASB 75)**

Holmdel Township School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	2021	2020	2019	2018	June 30, 2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - Local Group	0.10331%	0.10522%	0.10535%	0.10699%	0.10202%	0.96340%	0.95330%	0.93620%	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 16,847,945	\$ 18,958,369	\$ 20,743,837	\$ 24,905,133	\$ 30,214,761	\$ 21,626,749	\$ 17,847,912	\$ 17,893,541	N/A	N/A
District's covered-employee payroll	\$ 6,692,527	\$ 7,219,278	\$ 7,342,601	\$ 7,816,493	\$ 7,843,575	\$ 7,535,615	\$ 7,072,860	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	251.74%	262.61%	282.51%	318.62%	385.22%	286.99%	252.34%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

N/A - information not available

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate remained flat at 7.00% for the years ended June 30, 2019 and June 30, 2020.

Holmdel Township School District
 Schedule of District Contributions
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,157,181	\$ 1,130,213	\$ 1,023,450	\$ 1,054,168	\$ 991,131	\$ 906,312	\$ 828,279	\$ 785,866	N/A	N/A
Contributions in relation to the contractually required contribution	(1,157,181)	(1,130,213)	(1,023,450)	(1,054,168)	(991,131)	(906,312)	(828,279)	(785,866)	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,692,527	\$ 7,219,278	\$ 7,342,601	\$ 7,816,493	\$ 7,843,575	\$ 7,535,615	\$ 7,072,860	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	17.29%	15.66%	13.94%	13.49%	12.64%	12.03%	11.71%			

Holmdel Township School District
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	2021	2020	2019	2018	June 30, 2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	154,562,974	145,193,512	152,096,376	160,527,896	185,493,497	149,028,526	128,555,940	122,905,106
Total proportionate share of the net pension liability (asset) associated with the District	<u>154,562,974</u>	<u>\$ 145,193,512</u>	<u>\$ 152,096,376</u>	<u>\$ 160,527,896</u>	<u>185,493,497</u>	<u>149,028,526</u>	<u>128,555,940</u>	<u>122,905,106</u>
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	28.22%	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.

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

Holmdel Township School District
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District
State Health Benefit Local Education Retired Employees Plan
Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021
State's proportion of the OPEB Liability associated with the District -	0.22%	0.22%	0.22%	0.22%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	115,969,509	100,883,111	91,014,921	147,602,806
Total proportionate share of the OPEB liability associated with the District	<u>\$ 115,969,509</u>	<u>\$ 100,883,111</u>	<u>\$ 91,014,921</u>	<u>\$ 147,602,806</u>
Beginning Balance at July 1	\$ 124,961,251	\$ 115,969,509	\$ 100,883,111	\$ 91,014,921
Increased by:				
Diff. between expected and actual exp.				\$ 25,149,843
Service cost	4,919,251	4,085,846	3,634,991	3,696,180
Interest cost	3,664,986	4,251,774	3,992,889	3,271,658
Changes of assumptions			1,357,040	26,961,961
Member contributions	<u>98,909</u>	<u>93,233</u>	<u>82,819</u>	<u>77,886</u>
	8,683,146	8,430,853	9,067,739	59,157,528
Decreased by:				
Diff. between expected and actual exp.	-	(11,576,842)	(16,142,042)	
Changes of assumptions	(14,988,788)	(9,242,831)		
Gross benefit payments	<u>(2,686,100)</u>	<u>(2,697,578)</u>	<u>(2,793,887)</u>	<u>(2,569,643)</u>
	(17,674,888)	(23,517,251)	(18,935,929)	(2,569,643)
Balance	<u>\$ 115,969,509</u>	<u>\$ 100,883,111</u>	<u>\$ 91,014,921</u>	<u>\$ 147,602,806</u>
Covered by employee payroll	\$ 35,055,197	\$ 33,303,773	\$ 33,336,235	\$ 33,783,174
Total OPEB liability as a percentage of covered employee payroll.	330.82%	302.92%	273.02%	436.91%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate was 3.58% as of June 30, 2017, 3.87% as of June 30, 2018, 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

Holmdel Township School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 56,773,485		\$ 56,773,485	\$ 56,773,485	
Tuition from individuals				6,147	\$ 6,147
Tuition from LEAs within state				276,159	276,159
Interest on investments				1,407	1,407
Other miscellaneous revenues	600,000		600,000	297,718	(302,282)
Total revenues - local sources	57,373,485		57,373,485	57,354,916	(18,569)
State sources:					
Categorical transportation aid	721,124		721,124	721,124	
Extraordinary aid	269,058		269,058	1,185,505	916,447
Categorical special education aid	2,177,986	\$ (310,861)	1,867,125	1,867,125	
Categorical security aid	139,118		139,118	139,118	
Other state aid				32,371	32,371
On-behalf TPAF pension contributions (non-budgeted)				7,031,890	7,031,890
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)				2,203,685	2,203,685
On-behalf TPAF Long-Term Disability Insurance contributions (non-budgeted)				3,397	3,397
Reimbursed TPAF social security contributions (non-budgeted)				2,027,723	2,027,723
Total - state sources	3,307,286	(310,861)	2,996,425	15,211,938	12,215,513
Federal sources:					
Medical reimbursement	18,757		18,757	15,054	(3,703)
CARES Act Department of Labor unemployment grant				42,369	42,369
Total federal sources	18,757		18,757	57,423	38,666
Total revenues	60,699,528	(310,861)	60,388,667	72,624,277	12,235,610
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	653,513	30,786	684,299	684,299	
Grades 1-5	6,203,040	145,698	6,348,738	6,343,781	4,957
Grades 6-8	4,134,659	11,689	4,146,348	4,125,601	20,747
Grades 9-12	5,974,566	211,785	6,186,351	6,186,351	
Home instruction - regular programs:					
Salaries of teachers	23,174	941	24,115	5,472	18,643
Purchased professional-educational services	8,000		8,000	441	7,559
Undistributed instruction - regular programs:					
Purchased professional-educational services	9,500	(1,000)	8,500	6,000	2,500
Other purchased services	1,163		1,163	314	849
General supplies	911,829	(32,068)	879,761	657,223	222,538
Textbooks	251,520		251,520	241,822	9,698
Other objects	144,000		144,000	100,488	43,512
Total instruction - regular programs	18,314,964	367,831	18,682,795	18,351,792	331,003

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Learning and/or language disabilities:					
Salaries of teachers	\$ 156,980	\$ 17,561	\$ 174,541	\$ 174,541	
Other salaries for instruction	442,231	84,186	526,417	526,417	
General supplies	1,000	11,000	12,000	11,431	\$ 569
Total learning and/or language disabilities	600,211	112,747	712,958	712,389	569
Visual impairments:					
Salaries of teachers	215,221	(8,762)	206,459	184,898	21,561
Purchased professional ed services	7,600		7,600		7,600
Total visual impairments:	222,821	(8,762)	214,059	184,898	29,161
Multiple disabilities:					
Salaries of teachers	344,993	81,277	426,270	426,270	
Other salaries for instruction	371,506	16,525	388,031	345,042	42,989
General supplies	6,000	4,805	10,805	768	10,037
Total multiple disabilities	722,499	102,607	825,106	772,080	53,026
Resource room/center:					
Salaries of teachers	3,826,967	344,622	4,171,589	4,171,589	
General supplies	22,000		22,000	13,370	8,630
Textbooks	1,500	(1,500)			
Total resource room/center	3,850,467	343,122	4,193,589	4,184,959	8,630
Preschool disabilities - part time:					
Salaries of teachers	198,549	3,837	202,386	189,281	13,105
Other salaries for instruction	263,929	(33,774)	230,155	215,519	14,636
General supplies	500	1,200	1,700	1,320	380
Total preschool disabilities - part time	462,978	(28,737)	434,241	406,120	28,121
Home instruction:					
Salaries of teachers	49,500	114	49,614	8,721	40,893
Purchased professional-educational services	15,000		15,000	1,568	13,432
Total home instruction	64,500	114	64,614	10,289	54,325
Total special education	5,923,476	521,091	6,444,567	6,270,735	173,832

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 867,562	\$ (29,562)	\$ 838,000	\$ 757,213	\$ 80,787
Total basic skills/remedial - instruction	867,562	(29,562)	838,000	757,213	80,787
Bilingual education - instruction:					
Salaries of teachers	146,743	3,170	149,913	146,135	3,778
General supplies	200		200	125	75
Total bilingual education - instruction	146,943	3,170	150,113	146,260	3,853
School - sponsored cocurricular activities:					
Salaries	225,001	3,600	228,601	185,738	42,863
Supplies and materials	16,868		16,868	10,178	6,690
Total school spn. cocurricular activities	241,869	3,600	245,469	195,916	49,553
School - sponsored athletics - instruction:					
Salaries	452,991	5,117	458,108	450,291	7,817
Supplies and materials	84,100	(150)	83,950	68,973	14,977
Other objects	121,050	5,154	126,204	117,134	9,070
Total school - sponsored athletics - instruction	658,141	10,121	668,262	636,398	31,864
Total instruction	26,152,955	876,251	27,029,206	26,358,314	670,892
Undistributed expenditures:					
Instruction:					
Tuition to county voc. School dist. - regular	735,850	12,033	747,883	747,883	
Tuition to county voc. School dist. - special	276,442	(266,942)	9,500	5,700	3,800
Tuition to private schools for the disabled - within state	523,142	241,409	764,551	305,450	459,101
Total instruction	1,535,434	(13,500)	1,521,934	1,059,033	462,901

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Health services:					
Salaries	\$ 453,135	\$ 10,210	\$ 463,345	\$ 364,341	\$ 99,004
Purchased professional and technical services	83,960		83,960	73,540	10,420
Supplies and materials	9,661	465	10,126	9,201	925
Other objects	174,720	(65,700)	109,020	108,177	843
Total health services	721,476	(55,025)	666,451	555,259	111,192
Speech, OT, PT, and related services					
related services:					
Salaries	982,567	23,364	1,005,931	1,005,334	597
Purchased professional educational services		10,500	10,500	10,500	
Supplies and materials	42,095	14,000	56,095	53,843	2,252
Other objects	206,920	(10,500)	196,420	175,243	21,177
Total Speech, OT, PT, and related services	1,231,582	37,364	1,268,946	1,244,920	24,026
Other support services - students - extra services:					
Salaries	1,291,268	(229,953)	1,061,315	1,040,864	20,451
Purchased professional educational services	22,700	57,000	79,700	72,995	6,705
Supplies and materials	3,000	3,000	6,000	5,710	290
Total other support services - students - extra services	1,316,968	(169,953)	1,147,015	1,119,569	27,446
Guidance:					
Salaries of other professional staff	1,013,867	15,567	1,029,434	1,020,116	9,318
Salaries of secretarial and clerical assistants	155,818	5,000	160,818	160,680	138
Purchased professional educational services	160,000		160,000	160,000	
Supplies and materials	13,555	(42)	13,513	6,908	6,605
Other objects	3,229	170	3,399	1,130	2,269
Total guidance	1,346,469	20,695	1,367,164	1,348,834	18,330
Child Study Team:					
Salaries of other professional staff	1,150,782	82,372	1,233,154	1,233,154	
Salaries of secretarial and clerical assistants	129,554	9,667	139,221	139,221	
Other purchased professional - technical services		14,100	14,100	14,100	
Travel	2,500		2,500	295	2,205
Supplies and materials	15,500	(2,000)	13,500	12,129	1,371
Other objects	11,293		11,293	4,651	6,642
Total child study team	1,309,629	104,139	1,413,768	1,403,550	10,218

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 700,419		\$ 700,419	\$ 668,827	\$ 31,592
Salaries of other professional staff	220,630		220,630	181,065	39,565
Salaries of secretaries and clerical assistants	353,365	\$ 10,162	363,527	361,408	2,119
Other purchased prof. and tech. services	89,500	(14,582)	74,918	58,414	16,504
Other purchased services	2,400	213	2,613		2,613
Supplies and materials	1,680	14,034	15,714	14,839	875
Other objects	17,223		17,223	6,356	10,867
Total improvement of instructional services	1,385,217	9,827	1,395,044	1,290,909	104,135
Educational media services/school library:					
Salaries	849,814	37,088	886,902	886,902	
Supplies and materials	30,010	184	30,194	27,020	3,174
Total educational media services/school library	879,824	37,272	917,096	913,922	3,174
Instructional staff training services:					
Salaries of other professional staff	72,072	5,025	77,097	77,097	
Other objects	81,300	(2,244)	79,056	59,047	20,009
Total instructional staff training services	153,372	2,781	156,153	136,144	20,009
Support services-general administration:					
Salaries	274,472	16,145	290,617	290,617	
Legal services	145,000	3,478	148,478	126,436	22,042
Audit fees	35,005		35,005	35,000	5
Other purchased professional services	52,000	1,050	53,050	51,196	1,854
Travel / Mileage	1,000		1,000		1,000
Communications/telephone	73,211	2,710	75,921	53,182	22,739
General supplies	33,500	(13,645)	19,855	9,601	10,254
Miscellaneous expenditures	67,680	446	68,126	51,658	16,468
BOE membership dues and fees	14,350		14,350	1,474	12,876
Total support services-general administration	696,218	10,184	706,402	619,164	87,238

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/asst.principals program directors	\$ 1,176,822	\$ 6,613	\$ 1,183,435	\$ 1,183,435	
Salaries of secretarial and clerical assistants	503,584	4,589	508,173	498,880	\$ 9,293
Supplies and materials	18,000	5,866	23,866	17,244	6,622
Other objects	17,873	250	18,123	10,974	7,149
Total support services-school administration	1,716,279	17,318	1,733,597	1,710,533	23,064
Central services:					
Salaries	890,848	(2,895)	887,953	821,872	66,081
Purchased professional services	5,100		5,100	5,100	
Interest on current loans	74,385		74,385	74,288	97
Miscellaneous expenditures	5,000	580	5,580	4,332	1,248
Total central services	975,333	(2,315)	973,018	905,592	67,426
Administrative information technology:					
Salaries	64,621	2,895	67,516	67,516	
Other objects	3,000	(1,000)	2,000		2,000
Total administrative information technology	67,621	1,895	69,516	67,516	2,000
Required maintenance for school facilities:					
Salaries	577,837	2,836	580,673	580,673	
Cleaning, repair and maintenance services	585,616	94,016	679,632	616,006	63,626
General supplies	241,300	323,461	564,761	548,195	16,566
Total required maintenance for school facilities	1,404,753	420,313	1,825,066	1,744,874	80,192
Custodial Services:					
Salaries	1,922,542	97,671	2,020,213	2,020,213	
Salaries of Non-Instructional Aides	431,701	239,574	671,275	671,275	
Purchased professional and technical services	14,950		14,950	2,200	12,750
Cleaning, repair and maintenance services	42,000	96	42,096	41,541	555
Other purchased property services	202,300		202,300	193,413	8,887
Insurance	638,320		638,320	592,089	46,231
General supplies	132,400	3,492	135,892	110,888	25,004
Energy - Natural gas	301,700	(41,200)	260,500	260,500	
Energy - Electricity	442,500	156,093	598,593	598,593	
Other Objects	17,500		17,500	15,229	2,271
Energy savings impr prog bonds - interest	41,404		41,404	41,404	
Energy savings impr prog bonds - principal	58,600		58,600	58,600	
Total custodial services	4,245,917	455,726	4,701,643	4,605,945	95,698
Care & upkeep of grounds:					
Salaries	268,880	4,462	273,342	242,759	30,583
Cleaning, repair and maintenance services	195,000	1,500	196,500	196,332	168
General supplies	45,000	96	45,096	21,765	23,331
Total care & upkeep of grounds	508,880	6,058	514,938	460,856	54,082

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 50,492	\$ 2,251	\$ 52,743	\$ 52,743	
Purchased professional and technical services	350,000	226,279	576,279	168,252	\$ 408,027
Total Security	400,492	228,530	629,022	220,995	408,027
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	43,697	32,000	75,697	75,697	
Other purchased prof. and tech. services	500		500		500
Contracted services:					
Vendors - special ed	787,853	(143,347)	644,506	626,458	18,048
Vendors - between home & school	1,565,805	154,765	1,720,570	1,720,570	
Vendors - other between home & school	183,401	(11,418)	171,983	93,906	78,077
Joint agreements - special ed	373,244		373,244	304,402	68,842
Aid in lieu - nonpublic	73,000		73,000	33,483	39,517
Miscellaneous purchased services	4,582		4,582	2,791	1,791
General supplies	1,149		1,149	449	700
Transportation supplies	6,000		6,000		6,000
Other objects	4,745		4,745	3,023	1,722
Total student transportation services	3,043,976	32,000	3,075,976	2,860,779	215,197
Unallocated benefits:					
Social security contributions	832,200	83,232	915,432	833,188	82,244
Other retirement contributions - PERS	1,140,100	38,081	1,178,181	1,161,813	16,368
Unemployment compensation	25,000		25,000	25,000	
Worker's compensation	512,812		512,812	462,133	50,679
Health insurance	10,015,506	(899,864)	9,115,642	8,168,890	946,752
Tuition reimbursement	120,000		120,000	98,724	21,276
Other employee benefits	175,000	158,564	333,564	333,564	
Total unallocated benefits	12,820,618	(619,987)	12,200,631	11,083,312	1,117,319
On-behalf TPAF pension contributions (non-budgeted)					
				7,031,890	(7,031,890)
On-behalf TPAF Post-Retirement Medical contributions (non-budgeted)					
				2,203,685	(2,203,685)
On-behalf TPAF Long-Term Disability Insurance contributions (non-budgeted)					
				3,397	(3,397)
Reimbursed TPAF social security contributions (non-budgeted)					
				2,027,723	(2,027,723)
Total personal services: benefits	12,820,618	(619,987)	12,200,631	22,350,007	(10,149,376)
Total undistributed expenditures	35,760,058	523,322	36,283,380	44,618,401	(8,335,021)
Total current expenditures	61,913,013	1,399,573	63,312,586	70,976,715	(7,664,129)

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Instruction	\$ 53,000		\$ 53,000	\$ 53,000	
Non-instructional	22,000		22,000	4,790	\$ 17,210
Total equipment	75,000	-	75,000	57,790	17,210
Facilities acquisition and construction services:					
Lease purchase agreements - principal	442,000		442,000	442,000	
Assessment for debt service of SDA funding	69,515		69,515	69,515	
Total facilities acquisition and construction services	511,515	-	511,515	511,515	-
Interest deposit to capital reserve					
Total expenditures - capital outlay	586,515	-	586,515	569,305	17,210
Total expenditures	62,499,528	\$ 1,399,573	63,899,101	71,546,020	(7,646,919)
(Deficiency) excess of revenues (under) over expenditures	(1,800,000)	(1,710,434)	(3,510,434)	1,078,257	4,588,691
Other financing sources:					
Transfers in (capital projects fund)				275,829	275,829
Total other financing sources	-	-	-	275,829	275,829
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(1,800,000)	(1,710,434)	(3,510,434)	1,354,086	4,864,520
Fund balances, July 1 - Restated	10,171,853		10,171,853	10,171,853	
Fund balances, June 30	\$ 8,371,853	\$ (1,710,434)	\$ 6,661,419	\$ 11,525,939	\$ 4,864,520
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (1,800,000)	\$ (310,861)	\$ (2,110,861)	\$ 2,753,659	\$ 4,864,520
Adjustment for prior year encumbrances		(1,399,573)	(1,399,573)	(1,399,573)	
Total	\$ (1,800,000)	\$ (1,710,434)	\$ (3,510,434)	\$ 1,354,086	\$ 4,864,520
Recapitulation of fund balance:					
Restricted for:					
Maintenance reserve				\$ 2,488,313	
Capital reserve				3,500,000	
Unemployment Reserve				169,810	
Assigned to:					
Year end encumbrances				528,868	
Designated for subsequent year's expenditures				2,150,000	
Unassigned fund balance				2,688,948	
				11,525,939	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(260,535)	
Fund balance per Government Funds (GAAP) (B-1)				\$ 11,265,404	

Holmdel Township School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 590,128	\$ 103,973	\$ 694,101	\$ 672,436	\$ (21,665)
Federal sources	817,627	1,121,539	1,939,166	1,501,540	(437,626)
Other sources		712,257	712,257	446,279	(265,978)
Total revenues	1,407,755	1,937,769	3,345,524	2,620,255	(725,269)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	102,244	240,263	342,507	176,735	165,772
Purchased professional technical services	422,847	146,832	569,679	512,962	56,717
Tuition	484,398	124,437	608,835	612,476	(3,641)
Supplies and materials	12,030	290,957	302,987	222,658	80,329
Other Objects		9,069	9,069	2,704	6,365
Total instruction	1,021,519	811,558	1,833,077	1,527,535	305,542
Support services:					
Salaries of teachers	19,423	36,327	55,750	40,620	15,130
Personal services—employee benefits	29,057	6,152	35,209	35,209	
Purchased professional technical services	23,400	5,535	28,935	15,851	13,084
Purchased professional educational services	123,579	44,682	168,261	168,261	
Other purchased professional services	15,488	20,486	35,974	11,302	24,672
Supplies and materials	2,738	463,972	466,710	363,970	102,740
Other objects	5,270	6,369	11,639	5,438	6,201
Scholarships awarded		35,666	35,666	6,000	29,666
Student activities		457,653	457,653	267,910	189,743
Total support services	218,955	1,076,842	1,295,797	914,561	381,236
Capital outlay:					
Facilities acquisition and construction services:					
Construction services	167,281	49,369	216,650	216,644	6
Total facilities acquisition and construction services	167,281	49,369	216,650	216,644	6
Total expenditures	1,407,755	1,937,769	3,345,524	2,658,740	686,784
Deficiency of revenues under expenditures	\$ -	\$ -	\$ -	\$ (38,485)	\$ (38,485)
Fund Balance, July 1 - Restated				<u>257,594</u>	
Fund Balance, June 30				<u>\$ 219,109</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 29,466	
Student Activities				189,643	
Total Fund Balance				<u>\$ 219,109</u>	

Holmdel Township School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

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-1, C-2)	\$ 72,624,277	\$ 2,620,255
Differences - 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		37,345
Current year		(60,758)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	247,767	
Current year	(260,535)	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 72,611,509</u>	<u>\$ 2,596,842</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 71,546,020	\$ 2,658,740
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		37,345
Current year		(60,758)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 71,546,020</u>	<u>\$ 2,635,327</u>

Supplementary Information

Special Revenue Fund

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2021

	Title I Regular Part A	I.D.E.A. Part B Regular	Part B Preschool	Title II Part A Regular	Title IV Drug Free Regular	FEMA - COVID	Digital Divide	Coronavirus Relief Fund	Elementary and Secondary School Funds (ESSER) CARES Act Education Stabilization Fund	Coronavirus Response and Relief Supplemental Appropriations Act CRRSA - Learning Acceleration Grant
Revenues:										
State sources										
Federal sources	\$ 156,268	\$ 785,724	\$ 29,501	\$ 28,994	\$ 6,898	\$ 34,187	\$ 53,710	\$ 77,513	\$ 172,514	\$ 156,231
Other sources										
Total revenues	<u>\$ 156,268</u>	<u>\$ 785,724</u>	<u>\$ 29,501</u>	<u>\$ 28,994</u>	<u>\$ 6,898</u>	<u>\$ 34,187</u>	<u>\$ 53,710</u>	<u>\$ 77,513</u>	<u>\$ 172,514</u>	<u>\$ 156,231</u>
Expenditures:										
Current expenditures:										
Instruction:										
Salaries of teachers	\$ 87,914		\$ 27,244						\$ 58,077	
Tuition		\$ 612,476								
Purchased professional technical services		3,460					\$ 53,710			
Supplies and materials	3,775				\$ 898			\$ 77,513	57,290	
Other objects										
Total instruction	<u>91,689</u>	<u>615,936</u>	<u>27,244</u>		<u>898</u>		<u>53,710</u>	<u>77,513</u>	<u>115,367</u>	
Support services:										
Salaries of other professional staff	22,852			\$ 8,154					4,614	
Personal services—employee benefits	32,952		2,257							
Purchased professional technical services				9,851	6,000					
Purchased professional educational services		168,261								
Other purchased professional services	115	1,527		8,160						
Supplies and materials	3,460			2,591		\$ 34,187			52,533	\$ 156,231
Other objects	5,200			238						
Scholarships awarded										
Student Activities										
Total support services	<u>64,579</u>	<u>169,788</u>	<u>2,257</u>	<u>28,994</u>	<u>6,000</u>	<u>34,187</u>	<u>-</u>	<u>-</u>	<u>57,147</u>	<u>156,231</u>
Capital outlay:										
Facilities acquisition and construction services:										
Construction services										
Total capital outlay										
Total expenditures	<u>\$ 156,268</u>	<u>\$ 785,724</u>	<u>\$ 29,501</u>	<u>\$ 28,994</u>	<u>\$ 6,898</u>	<u>\$ 34,187</u>	<u>\$ 53,710</u>	<u>\$ 77,513</u>	<u>\$ 172,514</u>	<u>\$ 156,231</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2021

	New Jersey Non-Public Aid								
	Comp Ed	ESL	Exam & Class	Corrective Speech	Supple - mentary Instruction	Nursing	Home Instruction	Text - books	Security
	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program	Regular Program
Revenues:									
State sources	\$ 86,568	\$ 1,776	\$ 82,299	\$ 9,387	\$ 76,334	\$ 121,338	\$ 2,699	\$ 75,391	\$ 216,644
Federal sources									
Other sources									
Total revenues	<u>\$ 86,568</u>	<u>\$ 1,776</u>	<u>\$ 82,299</u>	<u>\$ 9,387</u>	<u>\$ 76,334</u>	<u>\$ 121,338</u>	<u>\$ 2,699</u>	<u>\$ 75,391</u>	<u>\$ 216,644</u>
Expenditures:									
Current expenditures:									
Instruction:									
Salaries of teachers									
Tuition									
Purchased professional technical services	\$ 86,568	\$ 1,776	\$ 82,299	\$ 9,387	\$ 76,334	\$ 121,338	\$ 2,699	\$ 75,391	
Supplies and materials									
Other objects									
Total instruction	<u>86,568</u>	<u>1,776</u>	<u>82,299</u>	<u>9,387</u>	<u>76,334</u>	<u>121,338</u>	<u>2,699</u>	<u>75,391</u>	
Support services:									
Salaries of other professional staff									
Personal services—employee benefits									
Purchased professional technical services									
Purchased professional educational services									
Other purchased professional services									
Supplies and materials									
Other objects									
Scholarships awarded									
Student Activities									
Total support services									
Capital outlay:									
Facilities acquisition and construction services:									
Construction services									\$ 216,644
Total capital outlay									<u>216,644</u>
Total expenditures	<u>\$ 86,568</u>	<u>\$ 1,776</u>	<u>\$ 82,299</u>	<u>\$ 9,387</u>	<u>\$ 76,334</u>	<u>\$ 121,338</u>	<u>\$ 2,699</u>	<u>\$ 75,391</u>	<u>\$ 216,644</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2021

	Scholarship	Student Activities	Local Programs	Totals
Revenues:				
State sources				\$ 672,436
Federal sources				1,501,540
Other sources			\$ 210,854	446,279
Total revenues	\$ 100	\$ 235,325	\$ 210,854	\$ 2,620,255
Expenditures:				
Current expenditures:				
Instruction:				
Salaries of teachers			\$ 3,500	\$ 176,735
Tuition				612,476
Purchased professional technical services				512,962
Supplies and materials			83,182	222,658
Other objects			2,704	2,704
Total instruction			89,386	1,527,535
Support services:				
Salaries of other professional staff			5,000	40,620
Personal services—employee benefits				35,209
Purchased professional technical services				15,851
Purchased professional educational services				168,261
Other purchased professional services			1,500	11,302
Supplies and materials			114,968	363,970
Other objects				5,438
Scholarships awarded	\$ 6,000			6,000
Student Activities		\$ 267,910		267,910
Total support services	6,000	267,910	121,468	914,561
Capital outlay:				
Facilities acquisition and construction services:				
Construction services				216,644
Total capital outlay	-	-	-	216,644
Total expenditures	\$ 6,000	\$ 267,910	\$ 210,854	\$ 2,658,740
Net change in fund balance	(5,900)	(32,585)	-	(38,485)
Fund Balance, July 1 - Restated	35,366	222,228	-	257,594
Fund Balance, June 30	\$ 29,466	\$ 189,643	-	\$ 219,109

Capital Projects Fund

Holmdel Township School District
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2021

Revenues and other financing sources

Contribution from lease proceeds	\$ 32,725
Total revenues	<u>32,725</u>

Expenditures and other financing uses

Transferred to capital reserve	275,829
Transferred to Debt service	46,713
Professional technical services	1,116,811
Land and improvements	8,892,547
Equipment	<u>1,197,040</u>
Total expenditures	11,528,940

(Deficiency) of revenues (under) expenditures (11,496,215)

Fund Balance, July 1	<u>14,308,287</u>
Fund Balance, June 30	<u>\$ 2,812,072</u>

Fund balance, budgetary-basis	\$ 2,812,072
Less difference in grant revenue recognized	<u>(106,255)</u>
Fund balance, GAAP-basis	<u>\$ 2,705,817</u>

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 8,888,137		\$ 8,888,137	\$ 8,888,137
Contribution from bond proceeds	59,194,242		59,194,242	59,194,242
Contribution from lease proceeds	2,290,476	\$ 32,725	2,323,201	2,323,201
Transfer from Capital Reserve	2,007,549		2,007,549	2,007,549
Transfers from Other Capital Projects				
Total revenues	<u>72,380,404</u>	<u>32,725</u>	<u>72,413,129</u>	<u>\$ 72,413,129</u>
Professional technical services				
Expenditures and Other Financing Uses				
Purchased professional/tech services	6,337,036	1,116,811	7,453,847	
Land and improvements	17,623,336	8,892,547	26,515,883	
Construction services	33,366,138		33,366,138	
Equipment	745,607	1,197,040	1,942,647	
Transfers Out		<u>322,542</u>	<u>322,542</u>	
Total expenditures	58,072,117	11,528,940	69,601,057	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 14,308,287</u>	<u>\$ (11,496,215)</u>	<u>\$ 2,812,072</u>	

Holmdel Township School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 (Budgetary Basis)
 Renovations and Additions to Schools, Various Capital Projects & Purchase of Furniture and Equipment
 From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 8,006,137		\$ 8,006,137	\$ 8,006,137
Contribution from bond proceeds	18,876,242		18,876,242	18,876,242
Contribution from private sources				
Transfer from Capital Reserve				
Transfers from Other Capital Projects				
	<u>\$ 26,882,379</u>		<u>\$ 26,882,379</u>	<u>\$ 26,882,379</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	2,721,206		2,721,206	
Land and improvements				
Construction services	23,926,327		23,926,327	
Equipment	188,133		188,133	
Transfers Out		<u>\$ 46,713</u>	<u>46,713</u>	
Total expenditures	26,835,666	46,713	26,882,379	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 46,713</u>	<u>\$ (46,713)</u>	<u>\$ -</u>	

Additional project information

Project number	N/A
Grant date	10/31/2001
Bond authorization date	12/11/2001
Bonds Authorized	\$ 18,876,242
Bonds Issued	18,876,000
Original Authorized Cost	27,010,520
Additional Authorized Cost	(174,612)
Revised Authorized Cost	26,882,379
Percentage Decrease over Original Authorized Cost	-0.47%
Percentage completion	100.00%
Original target completion date	9/2005
Revised target completion date	12/31/2020

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Window Replacements - Various Schools

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 882,000		\$ 882,000	\$ 882,000
Contribution from bond proceeds				
Contribution from lease proceeds				
Transfer from Capital Reserve	1,323,000		1,323,000	1,323,000
Transfers from Other Capital Projects				
Total revenues	<u>2,205,000</u>	<u>-</u>	<u>2,205,000</u>	<u>\$ 2,205,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	1,929,171		1,929,171	
Equipment				
Transfers Out		<u>\$ 275,829</u>	<u>275,829</u>	
Total expenditures	1,929,171	275,829	2,205,000	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 275,829</u>	<u>\$ (275,829)</u>	<u>\$ -</u>	

Additional project information

Project numbers:	2230-020-14-1003 2230-030-14-1003 2230-050-14-1005 2230-020-14-1002
Grant date	12/28/2018
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,205,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,205,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	100.00%
Original target completion date	12/31/2020
Revised target completion date	12/31/2020

Holmdel Township School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 (Budgetary Basis)
 Educational, Athletic & Infrastructure Enhancements - Various Schools
 From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Contribution from bond proceeds	\$ 40,318,000		\$ 40,318,000	\$ 40,318,000
Contribution from lease proceeds			-	-
Transfer from Capital Reserve				
Transfers from Other Capital Projects				
Total revenues	40,318,000	-	40,318,000	<u>\$ 40,318,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	3,277,440	\$ 543,358	3,820,798	
Land and improvements	16,531,786	8,892,547	25,424,333	
Construction services	7,510,640		7,510,640	
Equipment		1,027,574	1,027,574	
Transfers Out				
Total expenditures	27,319,866	10,463,479	37,783,345	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 12,998,134</u>	<u>\$ (10,463,479)</u>	<u>\$ 2,534,655</u>	

Additional project information

Project number	N/A
Grant date	5/27/2014
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 40,318,000
Additional Authorized Cost	32,725
Revised Authorized Cost	\$ 40,318,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	93.71%
Original target completion date	5/27/2014
Revised target completion date	12/31/2021

Holmdel Township School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 (Budgetary Basis)
 ESIP Lighting and Other Capital Project Upgrades - Various Schools
 From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Contribution from bond proceeds				
Contribution from lease proceeds	\$ 1,475,000		\$ 1,475,000	\$ 1,475,000
Transfer from Capital Reserve	110,549		110,549	110,549
Transfers from Other Capital Projects		\$ 547	547	547
Total revenues	<u>1,585,549</u>	<u>547</u>	<u>1,586,096</u>	<u>\$ 1,586,096</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	338,390		338,390	
Land and improvements	1,091,550		1,091,550	
Construction services				
Equipment				-
Transfers Out				
Total expenditures	<u>1,429,940</u>	<u>-</u>	<u>1,429,940</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 155,609</u>	<u>\$ 547</u>	<u>\$ 156,156</u>	

Additional project information

Project number	N/A
Grant date	N/A
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,475,000
Additional Authorized Cost	\$ 111,096
Revised Authorized Cost	\$ 1,586,096
Percentage Increase over Original Authorized Cost	7.53%
Percentage completion	90.15%
Original target completion date	12/31/2019
Revised target completion date	12/31/2021

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

MCIA Capital Equipment Lease - 2019

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Contribution from bond proceeds				
Contribution from lease proceeds	\$ 815,476	\$ 32,725	\$ 848,201	\$ 848,201
Transfer from Capital Reserve				
Transfers from Other Capital Projects				
Total revenues	815,476	32,725	848,201	\$ 848,201
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services				
Equipment	557,474	169,466	726,940	
Transfers Out				
Total expenditures	557,474	169,466	726,940	
Excess (deficiency) of revenues over (under) expenditures	\$ 258,002	\$ (136,741)	\$ 121,261	

Additional project information

Project number	N/A
Grant date	N/A
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 815,476
Additional Authorized Cost	32,725
Revised Authorized Cost	\$ 848,201
Percentage Increase over Original Authorized Cost	4.01%
Percentage completion	85.70%
Original target completion date	9/1/2021
Revised target completion date	N/A

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Ultraviolet (Disinfecting) Light Project - Various Schools
From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Contribution from bond proceeds				
Contribution from lease proceeds				
Transfer from Capital Reserve	\$ 574,000.00		\$ 574,000	\$ 574,000
Transfers from Other Capital Projects				
Total revenues	<u>\$ 574,000.00</u>	<u>-</u>	<u>574,000</u>	<u>\$ 574,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services		\$ 573,453	573,453	
Land and improvements				
Construction services				
Equipment				
Transfers Out		<u>547</u>	<u>547</u>	
Total expenditures	-	574,000	574,000	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 574,000</u>	<u>\$ (574,000)</u>	<u>\$ -</u>	

Additional project information

Project number	N/A
Grant date	N/A
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 574,000
Additional Authorized Cost	
Revised Authorized Cost	\$ 574,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	100.00%
Original target completion date	6/30/2021
Revised target completion date	N/A

Holmdel Township School District
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 (Budgetary Basis)
 June 30, 2021

Issue/Project Title	Appropriations	Prior Years	Current Year	Expenditures to Date			Unexpended Balance
				Closed Out Projects Funds	Closed Out Projects Funds	Closed Out Projects Funds	
				Transferred Out to Debt Service Fund	Transferred Out to General Fund	Transferred Out to Other Projects	
Renovations of and Additions to Schools, Various Capital Projects & Purchase of Furniture and Equipment	\$ 26,882,379	\$26,835,666		\$ 46,713			
MCIA Capital Equipment Lease - 2019	848,201	557,474	\$ 169,466				\$ 121,261
Windows - Various Schools	2,205,000	1,929,171			\$ 275,829		
Educational, Athletic & Infrastructure Enhancements	40,318,000	27,319,866	10,463,479				2,534,655
ESIP Lighting and Other Capital Project Upgrades	1,586,096	1,429,940					156,156
Ultraviolet (Disinfecting) Light Project - Various Schools	574,000		573,453			\$ 547	
	<u>\$ 72,413,676</u>	<u>\$58,072,117</u>	<u>\$11,206,398</u>	<u>\$ 46,713</u>	<u>\$ 275,829</u>	<u>\$ 547</u>	<u>\$2,812,072</u>

Long-Term Debt

Holmdel Township School District
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
Refunding of 2015 Bonds	10/28/2015	\$ 7,740,000	3/15/2022	\$ 1,090,000	4.000%	\$ 3,400,000	\$ 1,100,000	\$ 2,300,000
			3/15/2023	1,210,000	4.000%			
General Obligation Bonds Series 2018	4/24/2018	40,318,000	2/1/2022	1,365,000	3.250	39,018,000	1,300,000	37,718,000
			2/1/2023	1,300,000	3.250			
			2/1/2024	1,938,000	3.250			
			2/1/2025	1,975,000	3.250			
			2/1/2026	2,035,000	3.250			
			2/1/2027	2,095,000	3.250			
			2/1/2028	2,155,000	3.250			
			2/1/2029	2,220,000	3.250			
			2/1/2030	2,295,000	3.250			
			2/1/2031	2,370,000	3.250			
			2/1/2032	2,445,000	3.250			
			2/1/2033	2,525,000	3.250			
			2/1/2034	2,600,000	3.250			
			2/1/2035	2,600,000	3.375			
			2/1/2036	2,600,000	3.375			
			2/1/2037	2,600,000	3.500			
2/1/2038	2,600,000	3.500						
						<u>\$ 44,833,000</u>	<u>\$ 2,400,000</u>	<u>\$ 40,018,000</u>

Holmdel Township School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

June 30, 2021

Issue	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Principal	Interest				
2015 MCIA Equipment	10/8/2015	5 years	\$ 744,000	\$ 106,510	2.000-5.000 %	\$ 164,000	\$ 164,000	
2017 MCIA Equipment	10/11/2017	5 years	747,000	109,666	4.000-5.000 %	473,000	150,000	\$ 323,000
2019 MCIA Equipment	10/16/2019	5 years	755,000	114,909	5.000 %	\$ 755,000	128,000	627,000
2018 Energy Savings Improvement Program	4/27/2018	15 years	1,475,000	410,763	3.545 %	1,182,600	58,600	1,124,000
						<u>\$ 2,574,600</u>	<u>\$ 500,600</u>	<u>\$ 2,074,000</u>

Holmdel Township School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 2,865,153		\$ 2,865,153	\$ 2,865,153	
Miscellaneous				21,522	\$ 21,522
State sources:					
Debt Service Aid	519,890		519,890	519,890	
Total revenues	3,385,043		3,385,043	3,406,565	21,522
Expenditures:					
Principal on bonds	2,400,000		2,400,000	2,400,000	
Interest on bonds	1,423,585		1,423,585	1,423,585	
Total expenditures	3,823,585		3,823,585	3,823,585	
Deficiency/(excess) of revenues under expenditures	(438,542)		(438,542)	(417,020)	21,522
Other financing sources					
Transfers in				46,713	46,713
Fund balance, July 1	1,118,069		1,118,069	1,118,069	
Fund balance, June 30	\$ 679,527	\$ -	\$ 679,527	\$ 747,762	\$ 68,235

Statistical Section (Unaudited)

Other Information

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

Holmdel Township School District
Net Position by Component
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
Governmental activities										
Net investment in capital assets	\$ 30,706,272	\$ 32,468,038	\$ 32,022,178	\$ 36,136,561	\$ 41,411,753	\$ 39,981,673	\$ 2,021,935	\$ 44,421,713	\$ 46,106,571	\$ 42,696,500
Restricted	3,861,568	3,178,902	3,229,987	4,024,437	3,918,554	1,314,521	44,332,739	5,231,957	6,617,817	6,555,774
Unrestricted (deficit)	110,832	536,516	2,231,548	(18,185,134)	(21,737,003)	(19,924,435)	(20,001,708)	(20,075,176)	(19,795,416)	(18,323,463)
Total governmental activities net position	<u>\$ 34,678,672</u>	<u>\$ 36,183,456</u>	<u>\$ 37,483,713</u>	<u>\$ 21,975,864</u>	<u>\$ 23,593,304</u>	<u>\$ 21,371,759</u>	<u>\$ 26,352,966</u>	<u>\$ 29,578,494</u>	<u>\$ 32,928,972</u>	<u>\$ 30,928,811</u>
Business-type activities										
Investment in capital assets	\$ 18,272	\$ 12,816	\$ 8,283	\$ 5,014	\$ 45,077	\$ 41,296	\$ 54,810	\$ 48,559	\$ 89,693	\$ 81,596
Unrestricted	926,343	1,005,613	1,104,679	234,175	1,353,994	1,661,476	2,004,224	640,453	514,065	268,144
Total business-type activities net position	<u>\$ 944,615</u>	<u>\$ 1,018,429</u>	<u>\$ 1,112,962</u>	<u>\$ 239,189</u>	<u>\$ 1,399,071</u>	<u>\$ 1,702,772</u>	<u>\$ 2,059,034</u>	<u>\$ 689,012</u>	<u>\$ 603,758</u>	<u>\$ 349,740</u>
District-wide										
Net investment in capital assets	\$ 30,724,544	\$ 32,480,854	\$ 32,030,461	\$ 36,141,575	\$ 41,456,830	\$ 40,022,969	\$ 2,076,745	\$ 44,470,272	\$ 46,196,264	\$ 42,778,096
Restricted	3,861,568	3,178,902	3,229,987	4,024,437	3,918,554	1,314,521	44,332,739	5,231,957	6,617,817	6,555,774
Unrestricted (deficit)	1,037,175	1,542,129	3,336,227	(17,950,959)	(20,383,009)	(18,262,959)	(17,997,484)	(19,434,723)	(19,281,351)	(18,055,319)
Total district net position	<u>\$ 35,623,287</u>	<u>\$ 37,201,885</u>	<u>\$ 38,596,675</u>	<u>\$ 22,215,053</u>	<u>\$ 24,992,375</u>	<u>\$ 23,074,531</u>	<u>\$ 28,412,000</u>	<u>\$ 30,267,506</u>	<u>\$ 33,532,730</u>	<u>\$ 31,278,551</u>

Source: CAFR Schedule A-1 and District records.

Notes: The significant increases in governmental activities net position, net investment in capital assets is the result of the increase in construction in progress for ongoing capital projects.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$31,810,285. This amount is not reflected in the June 30, 2014 Net Position, above.

Holmdel Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
Expenses										
Governmental activities										
Instruction	\$ (30,701,743)	\$ (23,069,139)	\$ (23,223,017)	\$ (23,546,118)	\$ (23,999,528)	\$ (24,207,792)	\$ (47,707,941)	\$ (45,123,562)	\$ (41,543,568)	\$ (48,634,366)
Support services:										
Tuition	(976,976)	(944,986)	(1,086,353)	(1,091,888)	(1,210,030)	(1,302,565)	(2,110,183)	(1,806,541)	(1,745,707)	(2,045,656)
Student & Instruction Related Services	(9,162,159)	(7,897,495)	(7,602,496)	(7,722,598)	(7,982,066)	(8,071,936)	(12,259,534)	(11,814,609)	(10,482,147)	(12,550,237)
School Administrative Services	(1,825,571)	(1,424,352)	(1,462,340)	(1,508,715)	(1,517,276)	(1,517,821)	(859,615)	(857,666)	(2,646,776)	(2,999,112)
General administration	(826,526)	(567,061)	(595,703)	(640,945)	(589,819)	(633,485)	(1,275,574)	(2,787,087)	(834,730)	(886,371)
Central Services	(1,086,021)	(1,159,659)	(761,297)	(827,851)	(804,968)	(848,939)	(88,017)	(1,570,038)	(1,425,438)	(1,544,749)
Administrative Information Technology	(54,285)	(53,921)	(55,400)	(57,001)	(58,874)	(59,686)	(2,228,569)	(109,453)	(107,918)	(119,074)
Plant operations & maintenance	(9,243,614)	(6,629,954)	(6,466,333)	(5,812,803)	(5,935,866)	(5,959,314)	(8,754,012)	(8,155,816)	(8,107,811)	(10,495,884)
Pupil transportation	(2,293,063)	(2,234,729)	(2,473,004)	(2,529,060)	(2,739,126)	(2,743,808)	(3,967,280)	(3,128,120)	(3,026,137)	(3,361,181)
Employee benefits		(14,171,537)	(13,845,065)	(20,306,796)	(23,803,361)	(18,852,441)				
Interest on long-term debt	(873,936)	(755,989)	(785,967)	(596,009)	(647,845)	(397,033)	(443,500)	(1,422,833)	(1,410,366)	(1,258,356)
Unallocated depreciation and amortization	(778,845)	(948,409)	(1,333,877)	(881,860)	(730,814)	(845,072)				
Total governmental activities	<u>(57,822,739)</u>	<u>(59,857,231)</u>	<u>(59,690,852)</u>	<u>(65,521,644)</u>	<u>(70,019,573)</u>	<u>(65,439,892)</u>	<u>(79,694,225)</u>	<u>(76,775,725)</u>	<u>(71,330,598)</u>	<u>(83,894,986)</u>
Business-type activities:										
Food service	(1,303,735)	(1,295,986)	(1,297,381)	(1,372,242)	(1,363,947)	(1,270,466)	(1,235,326)	(1,413,816)	(966,160)	(243,371)
Childcare programs	(214,255)	(190,113)	(195,071)	(425,614)	(413,051)	(406,452)	(476,568)	(580,107)	(217,222)	(163,651)
primetime	(172,133)	(156,389)	(150,383)	(141,422)	(141,413)	(151,244)	(201,089)	(206,045)	(216,712)	
Summer Enrichment	(36,386)	(33,724)	(30,283)	(31,777)	(16,219)	(6,731)	(1,050)	(27,750)		
Early Childhood	(5,736)		(14,405)	(252,415)	(255,419)	(248,477)	(274,429)	(346,312)	(510)	
Total business-type activities expense	<u>(1,517,990)</u>	<u>(1,486,099)</u>	<u>(1,492,452)</u>	<u>(1,797,856)</u>	<u>(1,776,998)</u>	<u>(1,676,918)</u>	<u>(1,711,894)</u>	<u>(1,993,923)</u>	<u>(1,183,382)</u>	<u>(407,022)</u>
Total district expenses	<u>\$ (59,340,729)</u>	<u>\$ (61,343,330)</u>	<u>\$ (61,183,304)</u>	<u>\$ (67,319,500)</u>	<u>\$ (71,796,571)</u>	<u>\$ (67,116,810)</u>	<u>\$ (81,406,119)</u>	<u>\$ (78,769,648)</u>	<u>\$ (72,513,980)</u>	<u>\$ (84,302,008)</u>
Program Revenues										
Governmental activities:										
Charges for services - tuition	\$ 368,221	\$ 436,062	\$ 389,993	\$ 407,835	\$ 481,597	\$ 575,567		\$ 501,246	\$ 283,048	\$ 282,306
Charges for services - student activities										235,325
Operating grants and contributions	26,309	1,495,762	1,316,644	12,274,445	14,545,145	1,641,813	\$ 21,419,236	1,635,067	1,854,180	2,361,517
Capital grants and contributions								8,000		
Total governmental activities program revenues	<u>394,530</u>	<u>1,931,824</u>	<u>1,706,637</u>	<u>12,682,280</u>	<u>15,026,742</u>	<u>2,217,380</u>	<u>21,419,236</u>	<u>2,144,313</u>	<u>2,137,228</u>	<u>2,879,148</u>
Business-type activities:										
Charges for services:										
Food service	1,393,294	1,360,620	1,305,863	1,325,674	1,305,801	1,388,441	1,478,602	1,436,958	949,613	65,184
Childcare programs	201,405	199,296	230,622	552,722	576,584	553,722	589,554	657,179	117,886	73,779
PrimeTime	153,029	163,524	187,334	181,479	171,339	180,151	193,156	208,447	110,942	
Summer Enrichment	48,376	35,772	43,288	23,282	15,931	976	1,300	27,525		
Early Childhood				347,961	389,314	372,595	395,098	421,207	6,944	
Total business type activities program revenues	<u>1,594,699</u>	<u>1,559,916</u>	<u>1,536,485</u>	<u>1,878,396</u>	<u>1,882,385</u>	<u>1,942,163</u>	<u>2,068,156</u>	<u>2,094,137</u>	<u>1,067,499</u>	<u>138,963</u>
Total district program revenues	<u>\$ 1,989,229</u>	<u>\$ 3,491,740</u>	<u>\$ 3,243,122</u>	<u>\$ 14,560,676</u>	<u>\$ 16,909,127</u>	<u>\$ 4,159,543</u>	<u>\$ 23,487,392</u>	<u>\$ 4,238,450</u>	<u>\$ 3,204,727</u>	<u>\$ 3,018,111</u>
Net (Expense)/Revenue										
Governmental activities	\$ (57,428,209)	\$ (57,925,407)	\$ (57,984,215)	\$ (52,839,364)	\$ (54,992,831)	\$ (63,222,512)	\$ (58,274,989)	\$ (74,631,412)	\$ (69,193,370)	\$ (81,015,838)
Business-type activities	76,709	73,817	44,033	80,540	105,387	265,245	356,262	100,214	(115,883)	(268,059)
Total district-wide net expense	<u>\$ (57,351,500)</u>	<u>\$ (57,851,590)</u>	<u>\$ (57,940,182)</u>	<u>\$ (52,758,824)</u>	<u>\$ (54,887,444)</u>	<u>\$ (62,957,267)</u>	<u>\$ (57,918,727)</u>	<u>\$ (74,531,198)</u>	<u>\$ (69,309,253)</u>	<u>\$ (81,283,897)</u>

Holmdel Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 47,180,371	\$ 47,770,126	\$ 48,450,529	\$ 49,414,695	\$ 50,648,047	\$ 52,197,343	\$ 53,241,290	\$ 53,906,806	\$ 55,660,279	\$ 56,773,485
Taxes levied for debt service	3,113,858	3,051,483	2,971,232	2,800,957	2,794,727	2,494,218	2,483,081	2,990,356	2,922,993	2,865,153
Unrestricted grants and contributions	7,474,329	8,353,200	7,563,872	2,714,555	2,627,277	9,334,333	3,424,423	18,467,401	12,869,261	19,019,592
Investment earnings								738,544	554,642	55,654
Miscellaneous income	541,681	255,383	430,375	207,141	320,155	151,597	305,506	253,833	151,638	301,793
Restricted grants and entitlements				105,698	220,075	28,455	596,917			
Transfers								1,500,000		
Total governmental activities	<u>58,310,239</u>	<u>59,430,192</u>	<u>59,416,008</u>	<u>55,243,046</u>	<u>56,610,281</u>	<u>64,205,946</u>	<u>60,051,217</u>	<u>77,856,940</u>	<u>72,158,813</u>	<u>79,015,677</u>
Business-type activities:										
Investment earnings								29,764	30,629	14,041
Miscellaneous income			50,499	45,687	54,495	38,456		(1,500,000)		
Transfers			50,499	45,687	54,495	38,456		(1,470,236)		
Total business-type activities	<u>-</u>	<u>-</u>	<u>50,499</u>	<u>45,687</u>	<u>54,495</u>	<u>38,456</u>	<u>-</u>	<u>(1,470,236)</u>	<u>30,629</u>	<u>14,041</u>
Total district-wide	<u>\$ 58,310,239</u>	<u>\$ 59,430,192</u>	<u>\$ 59,466,507</u>	<u>\$ 55,288,733</u>	<u>\$ 56,664,776</u>	<u>\$ 64,244,402</u>	<u>\$ 60,051,217</u>	<u>\$ 76,386,704</u>	<u>\$ 72,189,442</u>	<u>\$ 79,029,718</u>
Change in Net Position										
Governmental activities	\$ 882,030	\$ 1,504,785	\$ 1,431,793	\$ 2,403,682	\$ 1,617,450	\$ 983,434	\$ 1,776,228	\$ 3,225,528	\$ 2,965,443	\$ (2,000,161)
Business-type activities	76,709	73,817	94,532	126,227	159,882	303,701	356,262	(1,370,022)	(85,254)	(254,018)
Total district	<u>\$ 958,739</u>	<u>\$ 1,578,602</u>	<u>\$ 1,526,325</u>	<u>\$ 2,529,909</u>	<u>\$ 1,777,332</u>	<u>\$ 1,287,135</u>	<u>\$ 2,132,490</u>	<u>\$ 1,855,506</u>	<u>\$ 2,880,189</u>	<u>\$ (2,254,179)</u>

Source: CAFR Schedule A-2 and District records.

Note: GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

Holmdel Township School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
										(Restated)
General Fund										
Reserved	\$ 1,358,880	\$ 2,340,278	\$ 3,099,131	\$ 2,981,372	\$ 2,967,645					
Unreserved	1,119,138	831,399	240,949	415,315	816,304					
Restricted	251,916	180,145	103,549			\$ 1,504,979	\$ 2,962,560	\$ 4,968,794	\$ 5,273,348	\$ 6,158,123
Assigned						1,524,075	1,955,222	2,004,820	3,510,434	528,868
Unassigned						1,885,784	1,427,302	1,446,685	1,397,898	4,578,413
Total general fund	<u>\$ 2,729,934</u>	<u>\$ 3,351,822</u>	<u>\$ 3,443,629</u>	<u>\$ 3,396,687</u>	<u>\$ 3,783,949</u>	<u>\$ 4,914,838</u>	<u>\$ 6,345,084</u>	<u>\$ 8,420,299</u>	<u>\$ 10,181,680</u>	<u>\$ 11,265,404</u>
All Other Governmental Funds										
Reserved reported in:										
Capital projects fund										
Debt service fund										
Restricted reported in:										
Capital projects fund	\$ 48,114	\$ 31,266	\$ 125,289	\$ 46,471	\$ 1,040,135	\$ 996,679	\$ 41,300,474	\$ 30,441,884	\$ 14,197,957	\$ 2,705,817
Special revenue fund										219,109
Debt service fund	1	1					69,705	917,409	1,118,069	747,762
Unreserved (deficit), reported in:										
Capital projects fund	18,122	15,206								
Assigned, reported in:										
Debt service fund			62,470	1	100,765	1				
Total all other governmental funds	<u>\$ 66,237</u>	<u>\$ 46,473</u>	<u>\$ 187,759</u>	<u>\$ 46,472</u>	<u>\$ 1,140,900</u>	<u>\$ 996,680</u>	<u>\$ 41,370,179</u>	<u>\$ 31,359,293</u>	<u>\$ 15,316,026</u>	<u>\$ 3,672,688</u>

Source: CAFR Schedule B-1 and District records.

Note 1: GASB #54 was implemented in the 2011 fiscal year, which required the presentations of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above and are not required to be.

Note 2: The deficits in the special revenue fund are the result of the last state aid payments being deferred until the subsequent fiscal year. See notes to the basic financial statements for additional information.

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Local sources:										
Local tax levy	\$ 50,294,229	\$ 50,821,609	\$ 51,421,761	\$ 52,215,652	\$ 53,442,774	\$ 54,691,561	\$ 55,724,371	\$ 56,897,162	\$ 58,583,272	\$ 59,638,638
Tuition charges	368,221	436,062	389,993	407,835	481,597	575,567	596,917	501,246	283,048	282,306
Interest earnings								738,544	554,642	55,654
Miscellaneous	541,681	295,592	451,751	246,629	294,350	186,602	344,244	294,516	320,442	708,786
Total local sources	51,204,131	51,553,263	52,263,505	52,870,116	54,218,721	55,453,730	56,665,532	58,431,468	59,741,404	60,685,384
State sources	6,801,622	8,832,495	8,045,997	8,475,459	9,313,976	9,926,261	11,676,116	12,531,925	13,827,398	16,413,404
Federal sources	1,099,016	976,258	806,917	936,994	854,791	1,043,335	949,602	1,003,707	995,598	1,552,928
Total revenue	59,104,769	61,362,016	61,116,419	62,282,569	64,387,488	66,423,326	69,291,250	71,967,100	74,564,400	78,651,716
Expenditures										
Instruction:										
Regular instruction	15,893,613	17,241,917	17,205,888	17,264,938	17,567,455	17,657,280	17,528,145	25,591,180	16,869,049	27,867,008
Special education instruction	4,198,398	4,505,111	4,619,880	4,931,631	5,123,476	5,187,350	5,266,072		5,929,991	-
Other special instruction	547,908	621,996	698,285	628,652	555,063	587,638			2,750,266	-
School-Sponsored/Other Instruction	689,942	700,115	698,964	740,897	767,862	775,524	1,446,345		1,086,050	1,059,033
Undistributed:										
Tuition	976,976	944,986	1,086,353	1,091,888	1,210,030	1,302,565	1,470,147	1,256,378	1,140,595	1,244,920
Student and instruction related services		7,897,495	7,602,496	7,722,598	7,982,066	8,071,936	7,886,554	1,117,653	3,974,415	4,760,034
Health services							654,564	603,361	476,134	555,259
Support services - students	642,581						598,887	6,369,847	2,116,353	2,204,831
Support services - instructional staff	5,361,581						888,682	112,997	110,148	136,144
General administration	887,646	567,061	595,703	640,945	589,819	633,485		649,052	649,959	619,164
School administrative services	440,816	1,424,352	1,462,340	1,508,715	1,517,276	1,517,821	61,321	1,608,965	1,620,296	1,710,533
Central services	1,455,006	1,159,659	761,297	827,851	804,968	848,939	1,552,626	925,838	885,962	905,592
Admin. Information technology	1,086,021	53,921	55,400	57,001	58,874	59,686	6,079,111	63,064	66,118	67,516
Plant operations and maintenance	54,285	6,550,875	6,466,333	5,812,803	5,935,866	5,959,314		5,830,812	5,832,439	7,032,670
Pupil transportation	7,220,703	2,234,729	2,473,004	2,529,060	2,739,126	2,743,808	2,763,972	2,865,485	2,831,811	2,860,779
Employee benefits	2,204,895	14,186,141	13,858,310	14,458,376	15,916,589	16,660,955	18,518,582	20,011,604	20,980,982	22,350,007
Capital outlay	12,333,765	523,377	1,083,549	874,714	1,709,503	92,291	2,959,667	11,515,339	18,800,794	12,014,255
Special revenue	857,430									
Debt Service:	1,555,252									
Principal	2,200,000	2,230,000	2,300,000	2,285,000	2,300,000	2,624,000	2,494,000	1,685,000	2,415,000	2,400,000
Interest and other charges	913,858	821,483	682,530	578,426	486,083	419,497	352,596	1,196,196	1,536,016	1,423,585
Total expenditures	59,520,676	61,663,218	61,650,332	61,951,495	65,264,056	65,142,089	70,521,271	81,402,771	90,072,378	89,211,330
(Deficiency) excess of revenues (under) over expenditures	(415,907)	(301,202)	(533,913)	331,074	(876,568)	1,281,237	(1,230,021)	(9,435,671)	(15,507,978)	(10,559,614)
Other Financing sources (uses)										
Proceeds from bond issuance			5,699,361		8,430,680		41,793,000			
Cancellation of prior year accounts payable					37,890					
Payment to escrow agent			(5,625,594)		(8,338,560)					
Transfers in				158,549	1,323,000			2,238,544	1,479,527	322,542
Transfers out				(158,549)	(1,323,000)			(738,544)	(1,479,527)	(322,542)
Proceeds from MClA lease	500,000		726,000		744,000		747,000		755,000	
Premium on lease									86,057	
Total other financing sources (uses)	500,000	-	799,767	-	874,010	-	42,540,000	1,500,000	841,057	-
Net change in fund balances	84,093	(301,202)	265,854	331,074	(2,558)	1,281,237	41,309,979	(7,935,671)	(14,666,921)	(10,559,614)
Fund balance, July 1, as restated	(1,558,118)	(1,474,025)	(1,775,227)	(1,509,373)	5,126,605	5,124,047	6,405,284	47,715,263	39,779,592	25,497,706
Fund balance, June 30	\$ (1,474,025)	\$ (1,775,227)	\$ (1,509,373)	\$ (1,178,299)	\$ 5,124,047	\$ 6,405,284	\$ 47,715,263	\$ 39,779,592	\$ 25,112,671	\$ 14,938,092
Debt service as a percentage of noncapital expenditures	5.52%	5.21%	5.08%	4.85%	8.46%	4.90%	4.21%	4.12%	5.54%	4.95%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

The beginning fiscal year 2016 fund balance was restated as a direct result of the implementation of Governmental Accounting Standards Board Statement No.72, Fair Measurement and Application.

Holmdel Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

Year Ended June 30,	Tuition from Individuals	Tuition from Other LEAs	Miscellaneous	Interest on Investments	Prior Years' Refunds	Rental Income	Annual Totals
2012	\$ 98,065	\$ 270,156	\$ 378,216			\$ 126,622	\$ 873,059
2013	115,163	320,899	17,812		\$ 59,857	177,714	691,445
2014	107,414	282,579	22,987	\$ 713	210,339	132,922	756,954
2015	333,209	74,626	14,774	785	105,390	86,192	614,976
2016	69,020	400,492	44,945	4,708	120,492	106,095	745,752
2017	106,436	491,857	(13,117)	12,153	39,111	90,724	727,164
2018		523,660	5,839	67,418	87,175	95,894	779,986
2019	28,363	472,883	185,359		10,074	58,400	755,079
2020	50,841	232,207	61,052	75,115	54,380	36,206	509,801
2021	6,147	276,159	282,139	1,407	1,427	14,152	581,431

Source: District records

Holmdel Township School District
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value*	Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable*	Total Direct School Tax Rate ^b
2012	\$ 37,997,200	\$ 3,364,124,999	\$ 17,876,500	\$ 1,121,700	\$ 349,171,600	\$ 54,984,000	\$ 7,715,300	\$ 2,192,735,250	\$ 388,531,100	\$ 6,793,745	\$ 3,451,253,944	\$ 1.325
2013	40,447,700	3,358,515,299	18,887,700	1,039,200	340,138,200	62,643,700	7,715,300	3,829,387,099	388,449,600	6,481,288	3,447,418,787	1.341
2014	42,676,700	3,352,543,699	15,544,000	1,008,100	339,525,100	62,643,700	7,715,300	3,821,656,599	389,407,700	6,481,288	3,441,733,187	1.363
2015	67,212,400	3,575,479,300	17,828,300	988,100	357,433,400	48,932,400	8,450,000	4,076,323,900	400,353,800	6,690,727	4,083,014,627	1.309
2016	73,610,200	3,597,054,500	17,216,200	912,000	378,721,400	50,838,200	8,975,000	4,127,327,500	444,537,000	6,679,675	4,134,007,175	1.323
2017	82,545,200	3,591,420,200	17,301,400	885,200	382,805,000	37,361,900	9,510,600	4,121,829,500	473,852,500	6,703,393	4,128,532,893	1.350
2018	87,003,500	3,661,677,300	17,745,700	864,300	399,092,000	37,933,600	9,651,800	4,213,968,200	500,894,900	6,830,315	4,220,798,515	1.348
2019	67,554,600	3,723,175,100	19,175,800	890,300	405,760,500	38,334,500	9,755,300	4,264,646,100	554,593,400	6,934,879	4,271,580,979	1.372
2020	59,134,900	3,787,165,900	18,756,900	889,800	382,502,100	41,957,200	9,819,500	4,241,091,400	732,210,200	7,099,933	4,248,191,333	1.385
2021	52,307,500	3,867,226,300	18,190,800	852,500	373,194,400	36,740,700	9,610,600	4,305,815,300	830,808,800	7,423,818	4,313,239,118	1.360

Source: District records, Tax list summary & Municipal Tax Assessor & Collector, abstract of ratables, County Board of Taxation.

Note: 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 the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

Holmdel Township School District
 Property Tax Rates-Direct and Overlapping Governments
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Unaudited

Year Ended June 30,	Holmdel Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Direct School Tax Rate	Holmdel Township	Monmouth County	
2012	N/A	N/A	\$ 1.33	\$ 0.40	\$ 0.33	\$ 2.05
2013	N/A	N/A	1.34	0.39	0.33	2.06
2014	N/A	N/A	1.36	0.37	0.32	2.06
2015	N/A	N/A	1.31	0.34	0.32	1.96
2016	N/A	N/A	1.32	0.32	0.32	1.96
2017	N/A	N/A	1.35	0.25	0.26	1.87
2018	N/A	N/A	1.35	0.37	0.30	2.02
2019	N/A	N/A	1.37	0.37	0.29	2.03
2020	N/A	N/A	1.39	0.34	0.24	1.96
2021	N/A	N/A	1.36	0.34	0.23	1.93

Source: District Records and Municipal Tax Collector.

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

^b Rates for debt service are based on each year's requirements.

Holmdel Township School District
Principal Property Tax Payers
Current Year and Nine Years Ago

Unaudited

	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Kimco Realty Corp	\$ 50,000,000	1.16%	\$ 55,564,500	1.61%
Holmdel Commons, LLC C/O Kimco Realty	50,000,000	1.16%	51,911,100	1.50%
Mack-Cali Holmdel LLC-D Danscuk	37,490,400	0.87%	34,000,000	0.99%
Hlm Plzlp/Gbr Hlmllc C/O Natl Rlty	25,000,000	0.58%	20,000,000	0.58%
Holmdel Realty Development LLC	27,814,400	0.64%	N/A	0.00%
Lowe's Home Ctr/Tax Dept	16,750,000	0.39%	19,295,400	0.56%
Holmdel Investments, LLC	10,277,800	0.24%	11,701,200	0.34%
Eighteen Realty Company	N/A	0.00%	8,612,700	0.25%
Holmdel Venture/Bergman Realty	7,320,400	0.17%	8,774,700	0.25%
Safeguard Properties, LLC	7,644,400	0.18%	4,968,000	0.14%
Holmdel Realty Garden Group, LLC	7,320,400	0.17%	N/A	0.00%
LTI-NJ Finance	6,346,300	0.15%	5,731,300	0.17%
Croddick Real Estate Holdings, LLC	N/A	0.00%	18,679,500	0.54%
Total	<u>\$ 245,964,100</u>	<u>5.39%</u>	<u>\$ 239,238,400</u>	<u>6.93%</u>

Source: District CAFR & Holmdel Municipal Tax Assessor.

*Data as of December 31, 2020 (Township's year end). June 30, 2021 data was not available as of the issuance of this report.

Holmdel Township School District
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 50,294,229	\$ 50,294,229	100.00%		\$ 50,294,229	100.00%
2013	50,821,609	50,821,609	100.00%		50,821,609	100.00%
2014	51,421,761	51,421,761	100.00%		51,421,761	100.00%
2015	52,215,652	52,215,652	100.00%		52,215,652	100.00%
2016	53,442,774	53,442,774	100.00%		53,442,774	100.00%
2017	54,691,561	54,691,561	100.00%		54,691,561	100.00%
2018	55,724,371	55,724,371	100.00%		55,724,371	100.00%
2019	56,897,162	56,897,162	100.00%		56,897,162	100.00%
2020	58,583,272	58,583,272	100.00%		58,583,272	100.00%
2021	59,638,638	59,638,638	100.00%		59,638,638	100.00%

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

- a. School Taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount prior to the end of the school year.

Holmdel Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases			
2012	\$ 20,285,000		\$ 1,140,800	\$ 21,425,800	1.71%	\$ 1,276.10
2013	18,055,000		723,000	18,778,000	1.50%	716.00
2014	15,660,000		1,195,000	16,855,000	1.62%	1,008.38
2015	10,645,000		1,302,000	11,947,000	1.14%	715.65
2016	10,645,000		1,302,000	11,947,000	1.09%	716.63
2017	8,400,000		923,000	9,323,000	0.81%	561.49
2018	46,518,000		2,851,000	49,369,000	4.16%	2,966.89
2019	44,833,000		2,244,600	47,077,600	4.01%	2,827.82
2020	42,418,000		2,574,600	44,992,600	3.77%	2,689.18
2021	40,018,000		2,074,000	42,092,000	3.53%	2,515.81

Source: District CAFR Schedules I-1, I-2 and District records.

Note: Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Holmdel Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	General Bonded Debt Outstanding					
	General Obligation Bonds	Net Unamortized Premium and Deferred Interest Costs	Resources Restricted for Repayment of Debt	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
2012	\$ 20,285,000			\$ 20,285,000	0.93%	\$ 1,208
2013	18,055,000			18,055,000	0.47%	1,082
2014	15,660,000			15,660,000	0.41%	937
2015	10,645,000			10,645,000	0.26%	638
2016	10,645,000			10,645,000	0.26%	639
2017	8,400,000			8,400,000	0.20%	506
2018	46,518,000			46,518,000	1.10%	2,796
2019	44,833,000			44,833,000	1.05%	2,693
2020	42,418,000			42,418,000	1.00%	2,535
2021	40,018,000			40,018,000	0.93%	2,392

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

Note: Details regarding the District's outstanding debt can be found in note 5 to the basic financial statements.

Holmdel Township School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2021

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Holmdel	\$ 37,026,000	100.000%	\$ 37,026,000
Monmouth County General Obligation Debt - Township's share	14,734,652	3.228%	<u>475,579</u>
Subtotal, overlapping debt			37,501,579
Holmdel School District Direct Debt			<u>40,018,000</u>
Total direct and overlapping debt			<u><u>\$ 77,519,579</u></u>

Sources: Debt outstanding data provided by each governmental unit.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Holmdel. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- 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.

Holmdel Township School District
 Legal Debt Margin Information
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized valuation basis

2019	\$	4,271,580,979
2020		4,363,082,814
2021		4,540,524,292
[A]	\$	<u>13,175,188,085</u>
[A/3]	\$	4,391,729,361.67
[B]		175,669,174.00 a
[C]		40,018,000.00
[B-C]	\$	<u>135,651,174.00</u>

Average equalized valuation of taxable property

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 172,423,442	\$ 168,559,253	\$ 163,973,953	\$ 162,676,626	\$ 163,785,344	\$ 165,668,654	\$ 167,450,770	\$ 113,231,727	\$ 171,406,164	\$ 175,669,174
Total net debt applicable to limit	<u>20,285,000</u>	<u>18,055,000</u>	<u>15,660,000</u>	<u>13,375,000</u>	<u>10,645,000</u>	<u>8,400,000</u>	<u>46,518,000</u>	<u>44,833,000</u>	<u>41,299,931</u>	<u>40,018,000</u>
Legal debt margin	<u>\$ 152,138,442</u>	<u>\$ 150,504,253</u>	<u>\$ 148,313,953</u>	<u>\$ 149,301,626</u>	<u>\$ 153,140,344</u>	<u>\$ 157,268,654</u>	<u>\$ 120,932,770</u>	<u>\$ 68,398,727</u>	<u>\$ 130,106,233</u>	<u>\$ 135,651,174</u>
Total net debt applicable to the limit as a percentage of debt limit	11.76%	10.71%	9.55%	8.22%	6.50%	5.07%	27.78%	39.59%	24.09%	22.78%

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Holmdel Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population ^a	Personal Income ^b	Per Capita	Unemployment
2012	\$ 16,790	\$ 1,256,261,380	\$ 74,822	9.39%
2013	16,688	1,248,629,536	74,822	8.63%
2014	16,715	1,038,335,800	62,120	6.76%
2015	16,694	1,047,665,358	62,757	4.80%
2016	16,671	1,100,602,749	66,019	4.80%
2017	16,604	1,152,483,640	69,410	3.80%
2018	16,640	1,185,383,680	71,237	3.60%
2019	16,648	1,174,616,288	70,556	3.70%
2020	16,731	1,193,890,698	71,358	2.80%
2021	16,731	1,193,890,698	71,358	2.80%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

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

* Information is the latest available as of 2020

Holmdel Township School District
Principal Employers
Current Year and Nine Years Ago

Unaudited

Employer	2021			2012		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
Bell Works	1001-5000					
Vonage	1800-2200					
iCIMS	800-1000					
Bayshore Medical Center	501-1000			Not Available		
PNC Bank Arts Center	200-500					
Workwave	225					
Intuitive Technology Partners	50-200					
Pierce Professional Resources	50-200					
Holmdel School District	478					
Holmdel Township	136					

Source: Township of Holmdel

Holmdel Township School District
 Full-time Equivalent District Employees By Function/Program
 Last Ten Fiscal Years

Unaudited

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction:										
Regular	196.10	197.20	196.50	197.70	205.00	204.50	205.40	219.10	213.00	208.00
Special Education	68.50	68.10	70.00	79.30	80.00	80.00	80.00	91.00	93.00	98.00
Support Services:										
Tuition										
Student and Instruction Related Services	92.90	99.30	105.00	109.00	111.50	99.00	97.00	91.00	88.00	80.00
General Administrative Services	6.00	7.00	7.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
School Administrative Services	17.00	16.50	17.00	17.00	17.00	17.00	17.00	17.00	17.00	16.00
Business Administrative Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Information Technology	5.50	5.50	5.50	5.50	5.00	6.00	6.00	6.00	6.00	6.00
Plant Operations and Maintenance	48.50	48.50	48.50	48.50	48.50	48.50	48.50	42.00	40.00	44.00
Pupil Transportation	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Total	442.00	449.60	457.00	469.50	479.50	467.50	466.40	478.10	467.00	463.00

Source: District personnel records

Holmdel Township School District
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^d</u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	3,156	\$ 55,601,183	\$ 18,000	5.74%	265	3,089	3,013	-1.97%	97.54%
2013	3,089	53,012,874	18,781	4.34%	265	3,091	3,011	0.06%	97.41%
2014	3,092	53,227,846	19,074	1.56%	267	3,019	2,944	-2.33%	97.52%
2015	3,021	53,114,932	17,582	-7.82%	277	3,027	2,883	0.26%	95.24%
2016	2,975	54,873,393	18,445	4.91%	283	2,973	2,850	-1.78%	95.86%
2017	3,002	55,335,677	18,433	-0.06%	284	3,002	2,857	0.97%	95.17%
2018	3,004	57,188,165	19,037	3.28%	285	3,004	2,840	0.07%	94.55%
2019	2,986	58,370,553	19,548	2.68%	307	2,996	2,851	-0.27%	95.15%
2020	2,971	67,320,568	22,659	15.92%	301	2,981	2,871	-0.50%	96.31%
2021	2,872	73,373,490	21,614	10.04%	292	2,880	2,730	-3.39%	94.79%

Source: 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).

Holmdel Township School District
 School Building Information
 Last Ten Fiscal Years

Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Village School (1952)										
Square Feet	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104
Capacity (students)	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Enrollment	835	831	835	821	805	824	796	751	775	793
Indian Hill (1961)										
Square Feet	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733
Capacity (students)	940	940	940	940	940	940	940	940	940	940
Enrollment	732	733	711	707	713	735	757	752	747	665
<u>Junior High School</u>										
WR Satz Jr. High (1962)										
Square Feet	86,537	86,537	86,537	86,537	86,537	86,537	86,537	86,537	93,061	93,061
Capacity (students)	669	669	669	669	669	669	669	669	669	669
Enrollment	541	504	538	531	513	522	514	521	528	526
<u>High School</u>										
Holmdel High School (1958)										
Square Feet	193,021	193,021	193,021	193,021	193,021	193,021	193,021	193,021	202,135	202,135
Capacity (students)	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173
Enrollment	1,048	1,021	1,008	962	944	921	937	962	937	944

Other

Number of Schools at June 30, 2021:

- Elementary = 2
- Junior High School = 1
- High School = 1

Source: District Facilities Office, District Records

Holmdel Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

Unaudited

	<u>*School Facilities</u> <u>Project # (s)</u>	<u>Holmdel</u> <u>High School</u>	<u>William R.</u> <u>Satz</u>	<u>Indian</u> <u>Hill</u>	<u>Village</u>	<u>Total</u>
2012	N/A	\$ 998,342	\$ 328,709	\$ 333,673	\$ 1,182,474	\$ 2,843,198
2013	N/A	1,241,906	278,900	375,391	356,326	2,252,523
2014	N/A	762,754	287,704	610,089	349,147	2,009,694
2015	N/A	505,306	224,668	277,516	314,356	1,321,846
2016	N/A	495,154	241,165	324,607	362,881	1,423,807
2017	N/A	474,567	218,233	295,806	321,995	1,310,601
2018	N/A	484,936	286,201	303,856	345,137	1,420,130
2019	N/A	452,449	205,941	276,120	347,500	1,282,010
2020	N/A	442,702	222,558	293,779	334,926	1,293,965
2021	N/A	606,138	305,993	398,552	434,191	1,744,874
Total School Facilities		\$ 6,983,992	\$ 2,877,472	\$ 3,777,956	\$ 4,675,852	\$ 18,315,273

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

Source: District records

Holmdel Township School District
 Insurance Schedule
 As of June 30, 2021

(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 168,074,975	\$ 10,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	
Comprehensive Crime Coverage:		
Money and Securities	25,000	500
Comprehensive Crime Coverage:		
Forgery and Alteration	250,000	1,000
EDP	1,269,025	1,000
Valuable Papers and Records	10,000,000	10,000
Boiler and Machinery - Property Damage	100,000,000	25,000
School Leaders Errors and Admissions	31,000,000	30,000
Public Employees' Faithful Performance		
Blanket Position Bond	250,000	1,000
Public Officials:		
Board Secretary/Business Administrator	115,000	
Assistant Board Secretary/Assistant Business Administrator	115,000	
Treasurer	315,000	
Flood Insurance	75,000,000	(Pool Agg) 10,000
Earthquake Insurance	50,000,000	(Pool Agg) 10,000
Athletic Accident (Base Policy)	25,000	80% Co-Ins.
Athletic Accident (Cat. Policy)	1,000,000	25,000
Environmental Liability	1,000,000	50,000

Source: District records

Single Audit Section

**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***

Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District
County of Monmouth
Holmdel, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund information of the Holmdel Township School District, in the County of Monmouth, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 9, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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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 District's financial statements are free of 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

March 9, 2022
Cranford, New Jersey



Michael Andriola, CPA
Licensed Public School Accountant
No. 2429

**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**

Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District
County of Monmouth
Holmdel, New Jersey**

Report on Compliance for Each Major Federal and State Program

We have audited the Holmdel Township School District's, in the County of Monmouth, New Jersey (the "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 District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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*. Those standards, the Uniform Guidance and New Jersey OMB 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 and state program occurred.

PKF O'CONNOR DAVIES, LLP
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An audit includes examining, on a test basis, evidence about the 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 unmodified opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Unmodified Opinion on Major Federal and State Programs

In our opinion, the 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 identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 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 District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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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 Circular 15-08. Accordingly, this report is not suitable for any other purposes.

PKF O'Connor Davies, LLP

March 9, 2022
Cranford, New Jersey



Michael Andriola, CPA
Licensed Public School Accountant
No. 2429

Holmdel School District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Grantor/Program Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances		Balance June 30, 2021		
					Unearned Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount			Unearned Revenue	(Accounts Receivable)	Due to Grantor		
U.S. Department of Education—Passed-Through State														
Department of Education														
General Fund:														
Medical Assistance Program-SEMI/MAC	93.778	100-054-7540-211	7/1/20-6/30/21	\$ 15,054			\$ 15,054	\$ (15,054)						
U.S. Department of Labor - Passed-Through State														
Department of Labor														
CARES Act DOL Unemployment Grant	17.225		7/1/20-6/30/21	42,369			42,369	(42,369)						
Total General Fund							57,423	(57,423)						
U.S. Department of Education—Passed-Through State														
Department of Education														
Special Revenue Fund:														
Special Education Cluster:														
I.D.E.A. Part B - Basic Flow-Through	84.027	100-034-5065-016	7/1/20-9/30/21	\$ 758,267			\$ 512,640	\$ (754,794)				\$ (242,154)		
I.D.E.A. Part B - Basic Flow-Through	84.027	100-034-5065-016	7/1/19-9/30/20	720,267	\$ (193,058)		196,699	(30,930)				(27,289)		
I.D.E.A. Part B, Preschool	84.173	100-034-5065-020	7/1/20-9/30/21	29,501			23,982	(29,501)				(5,519)		
I.D.E.A. Part B, Preschool	84.173	100-034-5065-020	7/1/19-9/30/20	29,573	(9,087)		9,087							
Special Education Cluster subtotal					(202,145)		742,408	(815,225)				(274,962)		
Title I, Part A	84.010	100-034-5064-194	7/1/20-9/30/21	160,709			84,286	(146,568)				(62,282)		
Title I, Part A	84.010	100-034-5064-194	7/1/19-9/30/20	159,825	(75,381)		84,904	(9,524)						
Title I, Part A	84.010	100-034-5064-194	7/1/19-9/30/20	170,645			176	(176)						
Title II, Part A	84.367	100-034-5063-290	7/1/20-9/30/21	44,231			30,192	(18,845)						
Title II, Part A	84.367	100-034-5063-290	7/1/19-9/30/20	42,246	(17,669)		22,594	(9,649)		\$ 4,725	\$ 11,347			
Title II, Part A	84.367	100-034-5063-290	7/1/19-9/30/20	41,637			470	(500)		30				
Title III - Immigrant	84.365	100-034-5064-187	7/1/20-9/30/21											
Title III - Immigrant	84.365	100-034-5064-187	7/1/19-9/30/20	5,034	(1)					1				
Title IV	93.658	100-034-5064-187	7/1/20-9/30/21	11,803			11,604	(6,699)				4,905		
Title IV	93.658	100-034-5064-187	7/1/19-9/30/20	10,000	(446)		645	(199)						
Title IV	93.658	100-034-5064-187	7/1/18-9/30/19	10,248	(2,603)		1,903			700				
FEMA - COVID-19	97.036	N/A	7/1/20-6/30/21	34,187					(34,187)					(34,187)
CARES Emergency Relief Grant (ESSER Fund)	84.425D	N/A	3/13/20-9/30/22	174,580			81,695	(172,514)						(90,819)
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	N/A	3/13/20-9/30/23	526,771					(156,231)					(156,231)
COVID-19 Bridging the Digital Divide	21.019	N/A	7/16/20-10/31/20	53,854			53,854	(53,710)				144		
Coronavirus Relief Fund	21.019	N/A	7/1/20-6/30/21	77,513			77,513	(77,513)						
Total Special Revenue Fund					(298,245)	-	1,192,244	(1,501,540)		5,902		16,396	(618,481)	-
Total Federal Awards					\$ (298,245)	\$ -	\$ 1,249,667	\$ (1,558,963)	\$ -	\$ 5,902	\$ 16,396	\$ (618,481)	\$ -	

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

Holmei School District
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2021			Memo		
				Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Budgetary Expenditures	
State Department of Education															
General Fund:															
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/20-6/30/21	\$ 32,371				\$ (32,371)				\$ (32,371)			\$ 32,371	
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/19-6/30/20	27,056	\$ (27,056)		\$ 27,056									
Transportation Categorial Aid	495-034-5120-014	7/1/19-6/30/21	721,124			652,238	(721,124)						\$ (68,886)	721,124	
Transportation Categorial Aid	495-034-5120-014	7/1/19-6/30/20	721,124	(69,183)		69,183									
Special Education Categorial Aid	495-034-5120-089	7/1/20-6/30/21	1,867,125			1,868,763	(1,867,125)						(178,362)	1,867,125	
Special Education Categorial Aid	495-034-5120-089	7/1/19-6/30/20	1,867,125	(165,237)		1,652,321									
Security Categorial Aid	495-034-5120-084	7/1/20-6/30/21	139,118			125,831	(139,118)						(13,287)	139,118	
Security Categorial Aid	495-034-5120-084	7/1/19-6/30/20	139,118	(13,347)		13,347									
Extraordinary Special Education Aid	100-034-5120-044	7/1/20-6/30/21	1,185,505				(1,185,505)				(1,185,505)			1,185,505	
Extraordinary Special Education Aid	100-034-5120-044	7/1/19-6/30/20	725,149	(725,149)		725,149									
Reimbursed TPAF Social Security Contributions	495-034-5094-003	7/1/20-6/30/21	2,027,723			1,931,883	(2,027,723)				(97,112)	\$ 1,272		2,027,723	
TPAF-Post Retirement Medical (Noncash Assistance)	495-034-5094-001	7/1/20-6/30/21	2,203,685			2,203,685	(2,203,685)							2,203,685	
TPAF-Pension Contributions (Noncash Assistance)	495-034-5094-002	7/1/20-6/30/21	7,031,890			7,031,890	(7,031,890)							7,031,890	
TPAF-Long-Term Disability Ins (Noncash Assistance)	495-034-5094-004	7/1/20-6/30/21	3,397			3,397	(3,397)							3,397	
Total General Fund				<u>(999,972)</u>			<u>14,637,659</u>	<u>(15,211,938)</u>			<u>-</u>	<u>(1,314,988)</u>	<u>1,272</u>	<u>(260,535)</u>	<u>15,211,938</u>
Special Revenue Fund:															
Non Public Auxiliary Services (Ch. 192)															
Compensatory Education	100-034-5120-067	7/1/20-6/30/21	86,568			86,568	(86,568)							86,568	
Compensatory Education	100-034-5120-067	7/1/19-6/30/20	82,173	(8,507)		8,507									
Transportation	100-034-5120-067	7/1/20-6/30/21				1,776	(1,776)							1,776	
ESL	100-034-5120-067	7/1/20-6/30/21	1,486	(177)		177									
ESL	100-034-5120-067	7/1/19-6/30/20	1,486	(177)											
Home Instruction	100-034-5120-067	7/1/20-6/30/21	2,699				(2,699)				(2,699)			2,699	
Home Instruction	100-034-5120-067	7/1/19-6/30/20	575	(575)		575									
Non Public Handicapped Services (Ch. 193):															
Examination and Classification	100-034-5120-066	7/1/20-6/30/21	90,692			90,692	(82,299)					8,393		82,299	
Examination and Classification	100-034-5120-066	7/1/19-6/30/20	117,059	(11,704)	\$ 51,667	11,704	(9,387)	\$ (51,667)				4,284		9,387	
Corrective Speech	100-034-5120-066	7/1/20-6/30/21	13,671		3,427	15,494									
Corrective Speech	100-034-5120-066	7/1/19-6/30/20	15,494	(1,549)		1,549									
Supplemental Instruction	100-034-5120-066	7/1/20-6/30/21	80,140		12,175	85,805	(76,334)					3,806		76,334	
Supplemental Instruction	100-034-5120-066	7/1/19-6/30/20	85,805	(8,581)		8,581									
Non Public Nursing Services	100-034-5120-070	7/1/20-6/30/21	126,276		10,009	126,276	(121,338)					4,938		121,338	
Non Public Nursing Services	100-034-5120-070	7/1/19-6/30/20	127,264			127,264									
Non Public Textbooks Aid	100-034-5120-064	7/1/20-6/30/21	75,629			75,629	(75,391)					238		75,391	
Non Public Textbooks Aid	100-034-5120-064	7/1/19-6/30/20	69,156		209							(209)			
Non Public Technology Aid	100-034-5120-373	7/1/20-6/30/21			24							(24)			
Non Public Technology Aid	100-034-5120-373	7/1/19-6/30/20	47,232												
Non Public Security Aid	100-034-5120-509	7/1/20-6/30/21	216,650			216,650	(216,644)					6		216,644	
Non Public Security Aid	100-034-5120-509	7/1/19-6/30/20	196,800		9,996										
Total Special Revenue Fund				<u>(31,093)</u>	<u>87,507</u>		<u>722,495</u>	<u>(672,436)</u>			<u>(87,507)</u>	<u>-</u>	<u>(2,699)</u>	<u>21,665</u>	<u>672,436</u>
Debt Service Fund:															
Debt Service Aid	100-034-3800-020	7/1/20-6/30/21	519,890			519,890	(519,890)							519,890	
Total Debt Service Fund						519,890	(519,890)							519,890	
Total State Financial Assistance				<u>\$ (1,031,065)</u>	<u>\$ 87,507</u>	<u>\$ -</u>	<u>\$ 15,880,044</u>	<u>\$ (16,404,264)</u>	<u>\$ (87,507)</u>	<u>\$ -</u>	<u>\$ (1,317,687)</u>	<u>\$ 22,937</u>	<u>(260,535)</u>	<u>\$ 16,404,264</u>	

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

State Financial Assistance Not Subject to

Single Audit Determination:

TPAF-Post Retirement Medical (Noncash Assistance)	495-034-5094-001	7/1/20-6/30/21					2,203,685							
TPAF-Pension Contributions (Noncash Assistance)	495-034-5094-002	7/1/20-6/30/21					7,031,890							
TPAF-Long-Term Disability Ins (Noncash Assistance)	495-034-5094-004	7/1/20-6/30/21					3,397							
Total State Financial Assistance Subject to Single Audit							<u>\$ (7,165,292)</u>							

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB 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, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

3. Relationship to Basic Financial Statements (Continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: Encumbrances	GAAP Basis
Federal	\$618,481	\$13,347	\$605,134

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,768) for the general fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 57,423	\$ 15,199,170	\$ 15,256,593
Special revenue fund	1,495,505	694,344	2,189,849
Debt service fund		519,890	519,890
Total financial award revenues	<u>\$ 1,552,928</u>	<u>\$ 16,413,404</u>	<u>\$ 17,966,332</u>

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

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.

5. Other

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2021.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$9,238,972. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District did not use the 10% de minimis indirect cost rate.

7. Adjustments

The adjustments presented on the schedule of federal awards represent cancelation of prior year accounts receivable balances.

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

Part I- Summary of Auditor's Results

Financial Statements Section

Type of report the auditors issued on whether the Financial statements were prepared in accordance With GAAP:

Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X None reported

Is any noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

Assistance Listing Number(s)	FAIN Number	Name of Federal Program or Cluster
84.425D	S425D200027	Elementary and Secondary School Emergency Relief Fund (ESSER)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

Part II- Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported under *Government Auditing Standards*.

Holmdel Township School District

Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2021

No prior year findings were noted.