

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

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

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OUTLINE OF CAFR

PAGE

INTRODUCTORY SECTION

| | |
|--------------------------|---|
| Letter of Transmittal | 1 |
| Organizational Chart | 5 |
| Roster of Officials | 7 |
| Consultants and Advisors | 9 |

FINANCIAL SECTION

| | |
|------------------------------|----|
| Independent Auditors' Report | 13 |
|------------------------------|----|

REQUIRED SUPPLEMENTARY INFORMATION - PART I

| | |
|------------------------------------|----|
| Management's Discussion & Analysis | 19 |
|------------------------------------|----|

BASIC FINANCIAL STATEMENTS

| | |
|--|----|
| A. Government-Wide Financial Statements: | |
| A-1 Statement of Net Position | 33 |
| A-2 Statement of Activities | 34 |
| B. Fund Financial Statements: | |
| Governmental Funds: | |
| B-1 Balance Sheet | 41 |
| B-2 Statement of Revenues, Expenditures & Changes in Fund Balance | 42 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities | 43 |
| Proprietary Funds: | |
| B-4 Statement of Net Position | 47 |
| B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position | 48 |
| B-6 Statement of Cash Flows | 49 |
| Notes to Financial Statements | 51 |

REQUIRED SUPPLEMENTARY INFORMATION - PART II

| | |
|---|-----|
| C. Budgetary Comparison Schedules: | |
| C-1 Budgetary Comparison Schedule - General Fund | 93 |
| C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual | N/A |
| C-1b Community Development Block Grants - Budget & Actual | N/A |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund | 101 |
| Notes to the Required Supplementary Information: | |
| C-3 Budget-to-GAAP Reconciliation | 105 |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

| | |
|---|-----|
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) | |
| L-1 Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System | 111 |
| L-2 Schedule of District Contributions - Public Employees' Retirement System | 112 |
| L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers' Pension and Annuity Fund | 113 |
| L-4 Schedule of School District Contributions Teachers' Pension and Annuity Fund | 114 |

OUTLINE OF CAFR (Continued)

| | PAGE |
|--|------|
| M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75) | |
| M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB | 117 |
| Notes to the Required Supplementary Information | 121 |
| D. School Based Budget Schedules Fund: | |
| D-1 Combining Balance Sheet | N/A |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual | N/A |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual | N/A |
| E. Special Revenue Fund: | |
| E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis | 129 |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis | 132 |
| F. Capital Projects Fund: | |
| F-1 Summary Schedule of Project Expenditures | 135 |
| F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis | 136 |
| F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - John Brainerd - HVAC Replacement | 137 |
| F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - John Brainerd - Fire Alarm System Replacement | 138 |
| F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Gertrude Folwell - Fire Alarm System Replacement | 139 |
| F-2d Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Gertrude Folwell - Folwell Roof | 140 |
| F-2e Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Gertrude Folwell - HVAC Replacement | 141 |
| F-2f Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - F.W. Holbein - Roof/HVAC Replacement | 142 |
| G. Proprietary Funds: | |
| Enterprise Funds: | |
| G-1 Statement of Net Position | N/A |
| G-2 Schedule of Revenues, Expenses & Changes in Fund Net Position | N/A |
| G-3 Statement of Cash Flows | N/A |
| I. Long-Term Debt: | |
| I-1 Schedule of Serial Bonds | 149 |
| I-2 Schedule of Obligations Under Capital Leases | 150 |
| I-3 Debt Service Fund Budgetary Comparison Schedule | 151 |
| I-4 Schedule of Compensated Absences | 152 |

STATISTICAL SECTION (unaudited)

PAGE

| | |
|--|-----|
| Financial Trends: | |
| J-1 Net Position by Component | 155 |
| J-2 Changes in Net Position | 156 |
| J-3 Fund Balances - Governmental Funds | 158 |
| J-4 Changes in Fund Balance - Governmental Funds | 159 |
| J-5 Other Local Revenue by Source - General Fund | 160 |
| Revenue Capacity: | |
| J-6 Assessed Value & Estimated Actual Value of Taxable Property | 161 |
| J-7 Direct & Overlapping Property Tax Rates | 162 |
| J-8 Principal Property Taxpayers | 163 |
| J-9 Property Tax Levies & Collections | 164 |
| Debt Capacity: | |
| J-10 Ratios of Outstanding Debt by Type | 165 |
| J-11 Ratios of General Bonded Debt Outstanding | 166 |
| J-12 Ratios of Overlapping Governmental Activities Debt | 166 |
| J-13 Legal Debt Margin Information | 167 |
| Demographic & Economic Information: | |
| J-14 Demographic & Economic Statistics | 168 |
| J-15 Principal Employers | 168 |
| Operating Information: | |
| J-16 Full-Time Equivalent District Employees by Function/Program | 169 |
| J-17 Operating Statistics | 170 |
| J-18 School Building Information | 171 |
| J-19 Schedule of Required Maintenance | 172 |
| J-20 Insurance Schedule | 173 |

SINGLE AUDIT SECTION

| | |
|---|-----|
| K-1 Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 177 |
| K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08 | 179 |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A | 183 |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B | 184 |
| K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance | 185 |
| K-6 Schedule of Findings & Questioned Costs | |
| Section I - Summary of Auditor's Results | 187 |
| Section II - Financial Statement Findings | 189 |
| Section III - Federal Awards and State Financial Assistance Findings & Questioned Costs | 189 |
| K-7 Summary Schedule of Prior Audit Findings | 190 |

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INTRODUCTORY SECTION

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331 Levis Drive
Mount Holly, NJ 08060

School Business Administrator
Board Secretary

February 2, 2022

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Mount Holly School District for the fiscal year ended June 30, 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 Mount Holly School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

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

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2020-2021 | 1,010 | -6.31% |
| 2019-2020 | 1,078 | 3.45% |
| 2018-2019 | 1,042 | 0.68% |
| 2017-2018 | 1,035 | 3.81% |
| 2016-2017 | 997 | -0.70% |
| 2015-2016 | 1,004 | -1.57% |
| 2014-2015 | 1,020 | -1.92% |
| 2013-2014 | 1,040 | 6.01% |
| 2012-2013 | 981 | -1.21% |
| 2011-2012 | 993 | -0.50% |

ECONOMIC CONDITION AND OUTLOOK

Burlington County is steeped in history from pre-revolutionary times to the present day. The County is home to two major military installations in Fort Dix and McGuire Air Force Base. The Mount Holly Township School District serves students from a wide range of socioeconomic backgrounds.

Burlington County is located in the center of the state approximately 80 miles south of New York City and 20 miles east of Philadelphia. Philadelphia International Airport is just 30 minutes away. At approximately 820 square miles, Burlington County is the largest county in New Jersey stretching from the Pinelands Forests to the Delaware River. The County is home to approximately 2,100 acres of state parklands, 600 farms, and over 300 historical sites.

Because Burlington County is among the fastest growing in New Jersey, change is constant in the Mount Holly Township School District. A Township redevelopment plan is currently in the works, and will bring new housing, jobs, and many other exciting opportunities. With new housing comes new students; new students bring the need for more teachers, support services, and upgrades to facilities.

MAJOR INITIATIVES

The District is revitalizing itself after significant time loss due to school closures based on the Coronavirus Pandemic. In an effort to close achievement gaps, the District conducted a needs assessment, along with a Root Cause Analysis, to determine action steps necessary to close our gaps in achievement. These action steps focus on closing achievement gaps in math and literacy, and restoring social-emotional health. The action steps targeting these student-related goals are as followed:

MAJOR INITIATIVES (continued)

- Expanding the knowledge and pedagogy of our teachers through professional development and PLCs..
- Expanding our Intervention Department to improve math and literacy basic skills/
- Utilize an SEL curriculum that focuses on trauma-informed practices.
- Expand the District's knowledge of trauma informed practices and restorative discipline through professional development.
- Sustainable Practices. The District is focused on health and wellness for students and staff, in addition to positively impacting students' contribution to a sustainable world.

In addition to the strategic plan, the District continues to

- Expand its preschool universe, providing a high quality preschool program for three and four year olds.
- Improve technology infrastructures and technology implementations to further student knowledge, safety, and security.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Robert Mungo
Superintendent of Schools

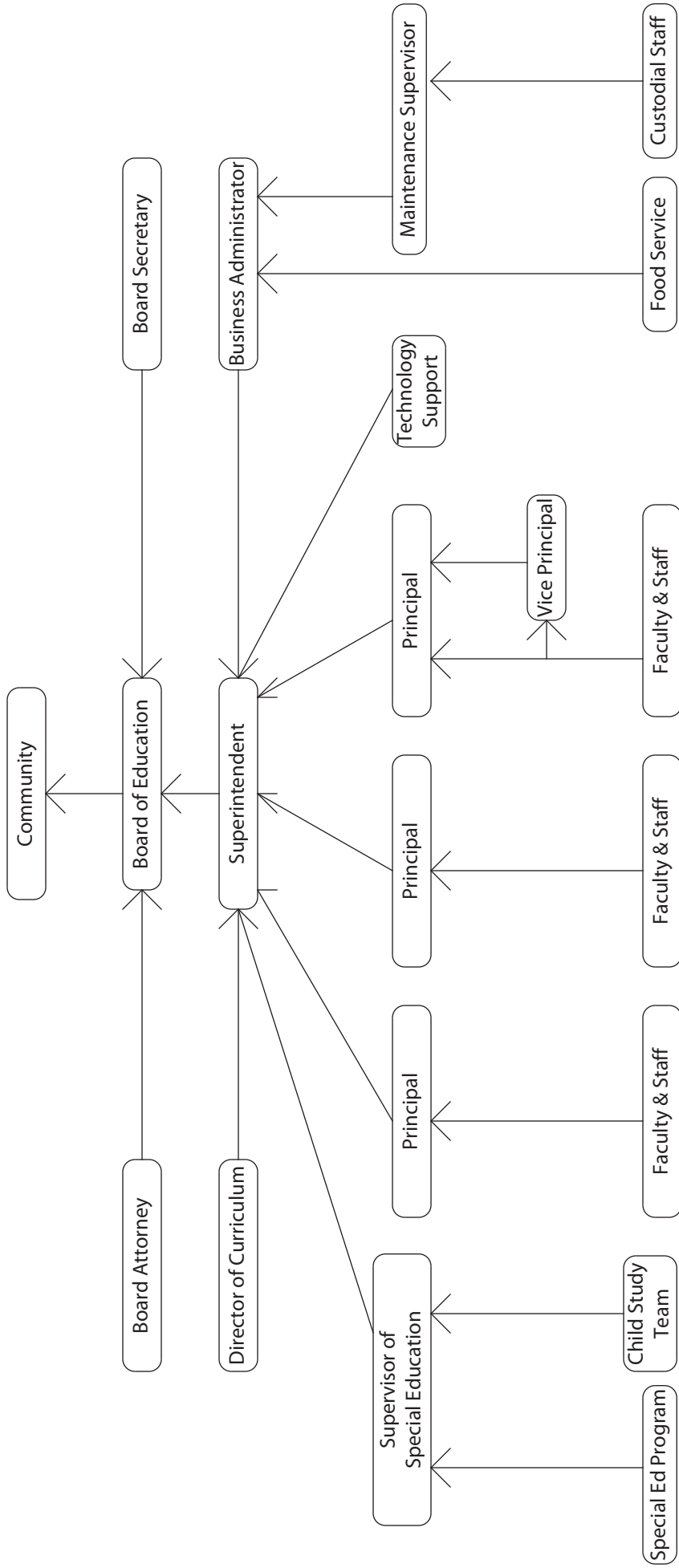


Evon DiGangi, CPA
School Business Administrator & Board Secretary

MOUNT HOLLY SCHOOL DISTRICT

Organizational Chart

(Unit Control)



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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2021

| MEMBERS OF THE BOARD OF EDUCATION | TERM EXPIRES |
|--|---------------------|
| Janet DiFolco, President | 2021 |
| Jennifer Mushinsky, Vice President | 2022 |
| William Monk | 2022 |
| Nicholas Fury | 2021 |
| Briana Banks | 2023 |

OTHER OFFICIALS

Robert Mungo, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Cameron R. Morgan Esq., Solicitor

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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Investors Bank
Iselin, NJ

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FINANCIAL SECTION

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Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District, County of Burlington, State of New Jersey, as of June 30, 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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mount Holly School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance,

as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
February 2, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

The discussion and analysis of Mount Holly Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Account Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2020-21) and the prior year (2019-20) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2021 are as follows:

- ⇒ Total assets and deferred outflows of resources increased by \$602,243 as cash and cash equivalents increased by \$681,253, receivables increased by \$156,075, net capital assets decreased by \$139,648 and Deferred Outflows Related to Pensions decreased by \$95,437.
- ⇒ General Fund revenues accounted for \$23,480,593 in revenue, or 90 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$2,312,717 or 9 percent of all revenues. Capital projects in the form of State grants and interest, accounted for \$546 or less than 1 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$291,548 or 1 percent of all revenues. Total revenues were \$25,113,733.
- ⇒ The School District's governmental funds had a combined \$25,021,014 in total expenditures; \$11,661,925 of which represents salaries for the district or approximately 47% of expenditures for the fiscal year ending June 30, 2021.
- ⇒ The Food Service Enterprise Fund had an increase in net position of \$61,744 in 2021 compared to an increase of \$36,238 in 2020.
- ⇒ The total Fund Balance per Governmental funds was \$10,487,133. The School District expended \$1,496,458 out of capital reserve and added \$1,303,804 to capital reserve.

Using this Comprehensive Annual Financial Report (CAFR)

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing the level of service that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of a whole school district, presenting both an aggregate view of a school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Statement of Net Position and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. Using this basis of accounting, takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 51 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2021 and 2020.

The District's combined net position was \$28,592,471 on June 30, 2021. This was an increase of 3.91% from the prior year.

| | TABLE I - NET POSITION | | | |
|--|-------------------------|----------------------|--------------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | |
| | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | |
| Current Assets | \$ 11,240,955 | \$ 10,403,627 | \$ 119,819 | \$ 181,607 |
| Capital Assets, Net | 28,952,497 | 29,091,011 | 131,148 | 8,966 |
| Total Assets | 40,193,452 | 39,494,638 | 250,967 | 190,573 |
| Deferred Outflows of Resources | 588,321 | 662,838 | - | - |
| Total Assets and Deferred Outflows of Resources | \$ 40,781,773 | \$ 40,157,476 | \$ 250,967 | \$ 190,573 |
| LIABILITIES | | | | |
| Current Liabilities | \$ 1,068,491 | \$ 690,669 | \$ 16,866 | \$ 18,216 |
| Noncurrent Liabilities | 9,697,617 | 10,368,566 | - | - |
| Total Liabilities | 10,766,108 | 11,059,235 | 16,866 | 18,216 |
| Deferred Inflows of Resources | 1,657,295 | 1,754,913 | - | - |
| Total Liabilities and Deferred Inflows of Resources | 12,423,403 | 12,814,148 | 16,866 | 18,216 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 23,041,848 | 23,143,204 | 131,148 | 8,966 |
| Restricted | 10,572,456 | 10,077,233 | - | - |
| Unrestricted | (5,255,934) | (5,877,109) | 102,953 | 163,391 |
| Total Net Position | \$ 28,358,370 | \$ 27,343,328 | \$ 234,101 | \$ 172,357 |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Table 2 shows changes in net position for fiscal year 2021 and 2020.

| | Governmental Activities | | Business-Type Activities | |
|--|-------------------------|----------------------|--------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ - | \$ - | \$ 5,742 | \$ 99,337 |
| Operating Grants & Contributions | 8,650,296 | 6,287,996 | 201,839 | 365,827 |
| General Revenues | | | | |
| Property Taxes | 8,677,245 | 8,594,216 | - | - |
| Grants & Entitlements | 10,998,269 | 10,623,673 | - | - |
| Other | 128,180 | 724,496 | 108,583 | 2,916 |
| Total Revenues | 28,453,990 | 26,230,381 | 316,164 | 468,080 |
| Expenses: | | | | |
| Instruction | 9,086,437 | 9,038,165 | - | - |
| Tuition | 1,238,013 | 1,259,226 | - | - |
| Related Services | 2,989,103 | 2,469,242 | - | - |
| General & School Administrator | 1,248,865 | 1,177,390 | - | - |
| Central Services | 568,775 | 557,810 | - | - |
| Operations & Maintenance | 1,907,501 | 1,808,375 | - | - |
| Transportation | 373,672 | 316,473 | - | - |
| Employee Benefits | 9,103,670 | 6,924,435 | - | - |
| Food Service | - | - | 254,420 | 431,842 |
| Other | 1,114,672 | 1,160,569 | - | - |
| Total Expenses | 27,630,708 | 24,711,685 | 254,420 | 431,842 |
| Increase in Net Position before Transfers | 823,282 | 1,518,696 | 61,744 | 36,238 |
| Changes in Net Position | 823,282 | 1,518,696 | 61,744 | 36,238 |
| Net Position- July 1 (restated) | 27,535,088 | 25,824,632 | 172,357 | 136,119 |
| Net Postion- June 30 | \$ 28,358,370 | \$ 27,343,328 | \$ 234,101 | \$ 172,357 |

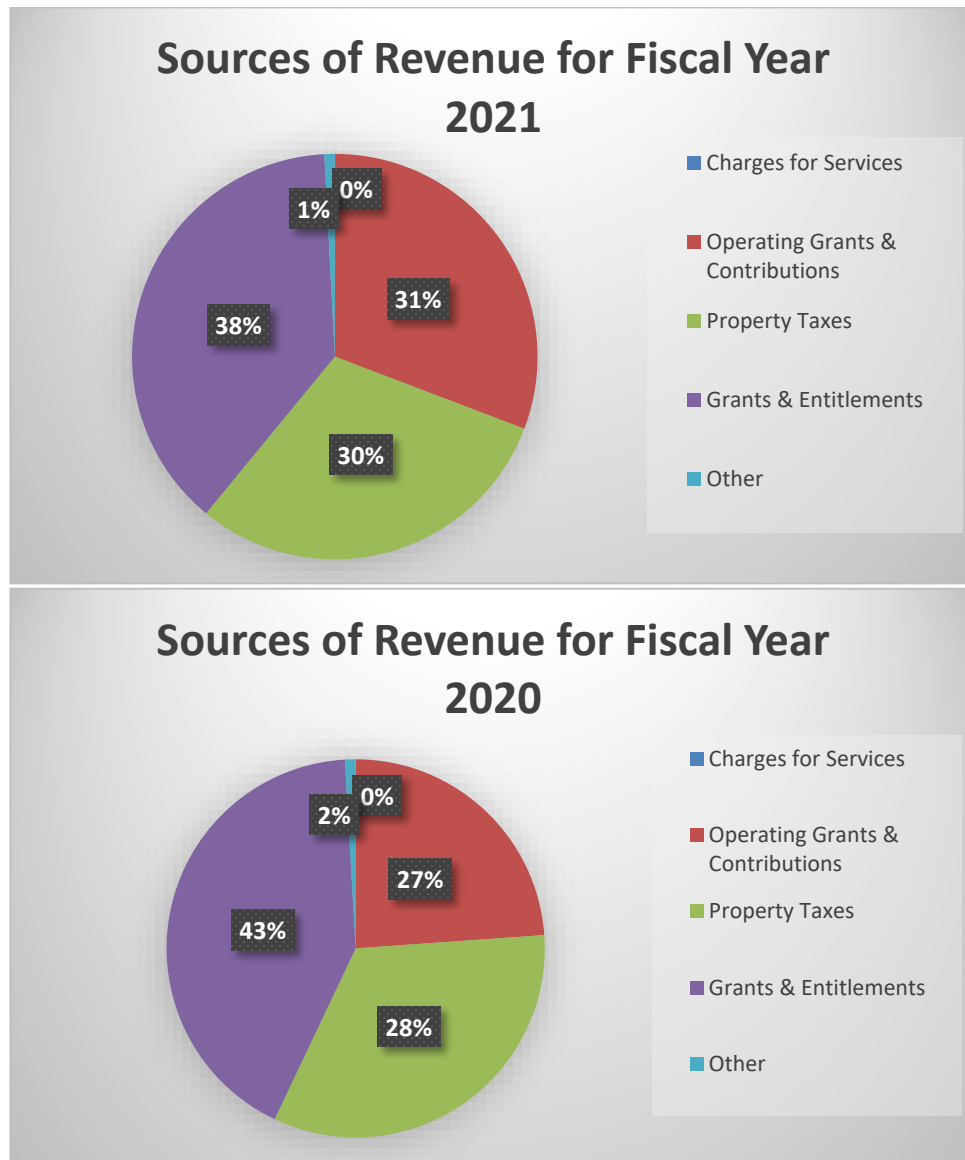
Governmental Activities

Property taxes made up 30% of revenues for fiscal year 2021 and 28% for fiscal year 2020. The District's total revenue for governmental activities was \$26,085,404 for the year ended June 30, 2021. Federal and state aid, accounted for another 65% of revenue.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)

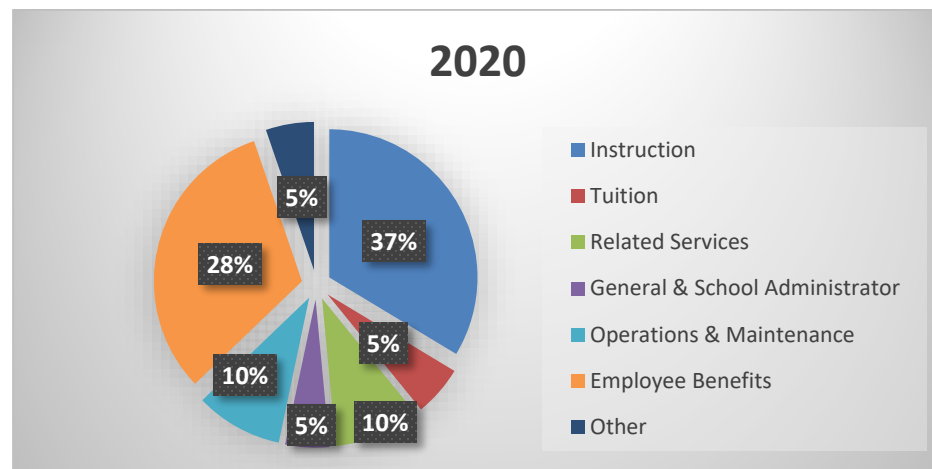
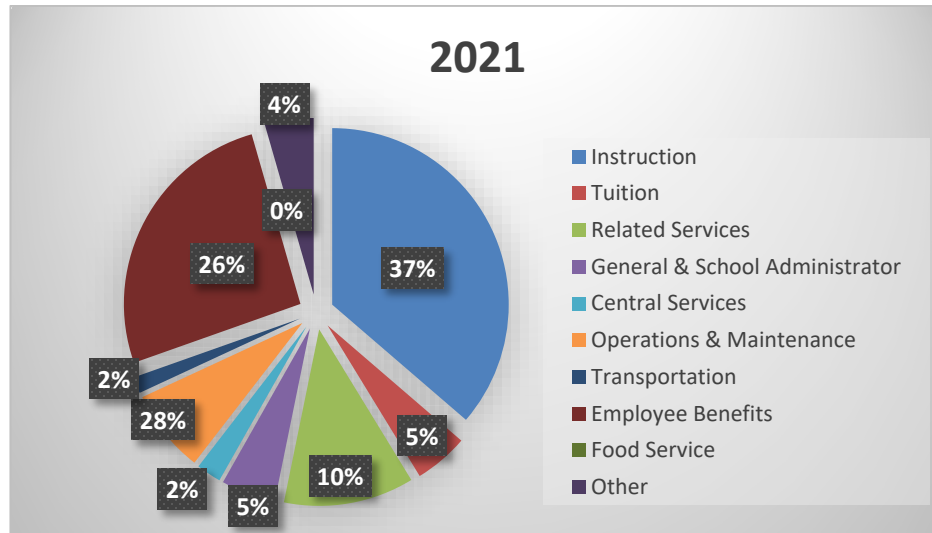
Governmental Activities (continued)



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

The total cost of all programs and services was \$25,801,378. Instruction and Benefits comprised 63% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Business-Type Activities

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

- Food service revenues exceeded expenses by \$61,744.
- Charges for services represent \$5,742 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfasts, and donated commodities was \$201,839.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

TABLE 3- NET COST OF SERVICES

| | <u>Total Cost of Services 2021</u> | <u>Net Cost of Services Services 2021</u> | <u>Total Cost of Services 2020</u> | <u>Net Cost of Services Services 2020</u> |
|--------------------------------|--|---|--|---|
| Instruction | \$ 9,086,437 | \$ 7,606,974 | \$ 9,038,165 | \$ 7,342,236 |
| Support Services: | | | | |
| Pupils and Instructional Staff | 4,227,116 | 3,393,862 | 3,728,468 | 3,177,353 |
| Administration | 1,248,865 | 1,248,865 | 1,735,200 | 1,735,200 |
| Operations and Maintenance | 2,476,276 | 2,476,276 | 1,808,375 | 1,808,375 |
| Pupil Transportation | 373,672 | 373,672 | 316,473 | 316,473 |
| Employee Benefits | 9,103,670 | 2,766,091 | 6,924,435 | 2,883,483 |
| Other | 1,114,672 | 1,114,672 | 1,160,569 | 1,160,569 |
| Total Expenses | <u>\$ 27,630,708</u> | <u>\$ 18,980,412</u> | <u>\$ 24,711,685</u> | <u>\$ 18,423,689</u> |

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$26,085,404 and expenditures were \$25,801,378 in 2021. The net change in fund balance for the year was most significant in the General Fund – an increase of \$346,297. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Additionally, the District reviews current actual expenditures and compare those amounts both to prior year actual and to current year budget. Some of the comparisons bear notation:

- ❖ Revenues from tuition exceeded budget by \$285,998.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$578,556 and special education budgeted cost exceeded actual expenses by \$260,999.
- ❖ Budgeted tuition cost exceeded actual by approximately \$235,350.
- ❖ Budgeted administrative costs exceeded actual by approximately \$37,022. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$295,725 less than budgeted due to the utilization of purchasing through Co-operatives.

Capital Assets

At the end of the fiscal year 2021, the School District had \$29,083,645 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 4 shows fiscal year 2021 balances compared to 2020.

Table 4 Net Investment in Capital Assets

| | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| Governmental Activities: | | |
| Land | \$ 9,786,500 | \$ 9,786,500 |
| Building Improvements | 25,997,652 | 25,412,501 |
| Equipment | 4,038,499 | 3,894,865 |
| Less: Accumulated Depreciation: | (10,870,154) | (10,002,855) |
| | 28,952,497 | 29,091,011 |
| Business-Type Activities: | | |
| Equipment | 366,246 | 301,330 |
| Less: Accumulated Depreciation: | (235,098) | (292,364) |
| | 131,148 | 8,966 |
| Total Capital Assets | \$ 29,083,645 | \$ 29,099,977 |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Overall capital assets decreased \$16,332 from fiscal year 2020 to fiscal year 2021. The decrease in capital assets is caused by annual depreciation. For more detailed information, please refer to Note 5 to the Basic Financial Statements.

The Road Ahead

- ✎ The Mount Holly Township School District is presently in good financial condition. The District is proud of its community support of the public schools.
- ✎ The District is focused on its EPIIC Action Plan to provide an excellent educational experience for every student. The imperative goals include:
 - Closing the achievement gap in literacy.
 - Closing the achievement gap in math.
 - Establishing an equitable environment for all.
 - Improving trauma-informed practices throughout the district.
 - For more information on Mount Holly Township Public School's EPIIC Action Plan please visit our website
<https://www.mtholly.k12.nj.us/Page/28>
- ✎ In addition to the EPIIC Action Plan, the District continues to expand its preschool universe, providing a high quality preschool program for three and four year olds.
- ✎ Improve safety and security measures at each school through training, facility upgrades, and technology upgrades.
- ✎ It is important that the District continues to support expenditures for capital maintenance of our schools. New security cameras, P.A. System upgrades and building renovation projects are needed and planned for upcoming years.
- ✎ The District will continue to increase its participation in shared service and inter-local service agreements over the coming years. The District administrative team and Board of Education must work diligently to come up with new ideas for revenues and streamline expenditures.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, bond holders, and creditors with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the School Business Administrator at the Mount Holly Township Administration wing of the F.W. Holbein Middle School at 331 Levis Drive, Mount Holly, New Jersey 08060, or please visit our website at www.mtholly.k12.nj.us.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

| ASSETS | GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL |
|---|----------------------------|---------------------------------|----------------------|
| Cash & Cash Equivalents | \$ 4,764,586 | \$ 87,959 | \$ 4,852,545 |
| Receivables, Net (Note 4) | 569,825 | 12,787 | 582,612 |
| Inventory | - | 19,073 | 19,073 |
| Restricted Cash & Cash Equivalents | 5,906,544 | - | 5,906,544 |
| Capital Assets, Net (Note 5) | | | |
| Non-depreciable | 9,786,500 | - | 9,786,500 |
| Depreciable | 19,165,997 | 131,148 | 19,297,145 |
| Total Assets | 40,193,452 | 250,967 | 40,444,419 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Related to Pensions (Note 8) | 588,321 | - | 588,321 |
| Total Deferred Outflow of Resources | 588,321 | - | 588,321 |
| Total Assets and Deferred Outflow of Resources | 40,781,773 | 250,967 | 41,032,740 |
| LIABILITIES | | | |
| Accounts Payable | 209,298 | - | 209,298 |
| Due to Other Governments | 261,054 | - | 261,054 |
| Unearned Revenue | 516,010 | 16,866 | 532,876 |
| Accrued Interest | 82,129 | - | 82,129 |
| Noncurrent Liabilities (Note 7): | | | |
| Due Within One Year | 436,078 | - | 436,078 |
| Due in more than one year | 9,261,539 | - | 9,261,539 |
| Total Liabilities | 10,766,108 | 16,866 | 10,782,974 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Related to Pensions (Note 8) | 1,657,295 | - | 1,657,295 |
| Total Deferred Inflow of Resources | 1,657,295 | - | 1,657,295 |
| Total Liabilities and Deferred Inflow of Resources | 12,423,403 | 16,866 | 12,440,269 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 23,041,848 | 131,148 | 23,172,996 |
| Restricted For: | | | |
| Capital Projects | 5,145,801 | - | 5,145,801 |
| Debt Service | 7,855 | - | 7,855 |
| Maintenance Reserve | 908,782 | - | 908,782 |
| New Jersey Unemployment Fund | 176,599 | - | 176,599 |
| Student Activities | 8,419 | - | 8,419 |
| Excess Surplus | 4,325,000 | - | 4,325,000 |
| Unrestricted (Deficit) | (5,255,934) | 102,953 | (5,152,981) |
| Total Net Position | \$ 28,358,370 | \$ 234,101 | \$ 28,592,471 |

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

**MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | |
|--|------------------|----------------------|----------------------------------|---|--------------------------|----------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 6,259,213 | \$ - | \$ 1,479,463 | \$ (4,779,750) | \$ - | \$ (4,779,750) |
| Special Education | 2,363,775 | - | - | (2,363,775) | - | (2,363,775) |
| Other Instruction | 463,449 | - | - | (463,449) | - | (463,449) |
| Support Services & Undistributed Costs: | | | | | | |
| Tuition | 1,238,013 | - | - | (1,238,013) | - | (1,238,013) |
| Student & Instruction Related Services | 2,989,103 | - | 833,254 | (2,155,849) | - | (2,155,849) |
| General Administrative Services | 501,277 | - | - | (501,277) | - | (501,277) |
| School Administrative Services | 747,588 | - | - | (747,588) | - | (747,588) |
| Central Services | 568,775 | - | - | (568,775) | - | (568,775) |
| Plant Operations & Maintenance | 1,907,501 | - | - | (1,907,501) | - | (1,907,501) |
| Pupil Transportation | 373,672 | - | - | (373,672) | - | (373,672) |
| Unallocated Employee Benefits | 5,377,730 | - | 2,611,639 | (2,766,091) | - | (2,766,091) |
| On Behalf TPAF Pension and Social Security Contributions | 3,725,940 | - | 3,725,940 | - | - | - |
| Interest & Other Changes in Long-Term Debt | 188,886 | - | - | (188,886) | - | (188,886) |
| Unallocated Depreciation & Amortization | 925,786 | - | - | (925,786) | - | (925,786) |
| Total Governmental Activities | 27,630,708 | - | 8,650,296 | (18,980,412) | - | (18,980,412) |
| Business-Type Activities: | | | | | | |
| Food Service | 254,420 | 5,742 | 201,839 | - | (46,839) | (46,839) |
| Total Business-Type Activities | 254,420 | 5,742 | 201,839 | - | (46,839) | (46,839) |
| Total Primary Government | \$ 27,885,128 | \$ 5,742 | \$ 8,852,135 | (18,980,412) | (46,839) | (19,027,251) |

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

**MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | <u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u> | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS- TYPE ACTIVITIES</u> | <u>TOTAL</u> |
|--|--|------------------------------------|--|----------------------|
| General Revenues: | | | | |
| Taxes: | | | | |
| Taxes Levied for General Purposes | 8,677,245 | - | - | 8,677,245 |
| Federal & State Aid Not Restricted | 10,998,269 | - | - | 10,998,269 |
| Tuition | 285,998 | - | - | 285,998 |
| Transportation | 27,748 | - | - | 27,748 |
| Interest Earnings | 2,778 | 261 | - | 3,039 |
| Gain/(Loss) on Adjustment to Capital Assets | (222,529) | 108,322 | - | (114,207) |
| Miscellaneous Income | 34,185 | - | - | 34,185 |
| | <u>19,803,694</u> | <u>108,583</u> | <u>108,583</u> | <u>19,912,277</u> |
| Total General Revenues, Special Items, Extraordinary Items & Transfers | | | | |
| Change In Net Position | 823,282 | 61,744 | - | 885,026 |
| Net Position - Beginning (restated) | 27,535,088 | 172,357 | - | 27,707,445 |
| Net Position - Ending | <u>\$ 28,358,370</u> | <u>\$ 234,101</u> | <u>\$ 234,101</u> | <u>\$ 28,592,471</u> |

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

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B. Fund Financial Statements

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Governmental Funds

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**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

| ASSETS | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|---|----------------------|----------------------------|-----------------------------|-------------------------|----------------------|
| Cash & Cash Equivalents | \$ 3,638,537 | \$ 526,928 | \$ 343,914 | \$ 255,207 | \$ 4,764,586 |
| Receivables, Net: | | | | | |
| Other Receivable | 184,605 | 5,000 | - | - | 189,605 |
| Due from Other Governments: | | | | | |
| State | 265,062 | - | - | - | 265,062 |
| Federal | - | 115,158 | - | - | 115,158 |
| Interfund Receivable | 247,897 | - | - | 545 | 248,442 |
| Restricted Cash & Cash Equivalents | 5,906,544 | - | - | - | 5,906,544 |
| Total Assets | \$ 10,242,645 | \$ 647,086 | \$ 343,914 | \$ 255,752 | \$ 11,489,397 |
| LIABILITIES & FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Interfund Payable | \$ - | \$ - | \$ 545 | \$ 247,897 | \$ 248,442 |
| Accounts Payable | 89,627 | 94,143 | - | - | 183,770 |
| Payroll Taxes Payable | 6,797 | - | - | - | 6,797 |
| Unemployment Compensation Claims Payable | 18,731 | - | - | - | 18,731 |
| Due to Other Governments | - | 28,514 | - | - | 28,514 |
| Unearned Revenue | - | 516,010 | - | - | 516,010 |
| Total Liabilities | 115,155 | 638,667 | 545 | 247,897 | 1,002,264 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Excess Surplus | 2,075,000 | - | - | - | 2,075,000 |
| Capital Reserve Account | 4,802,432 | - | - | - | 4,802,432 |
| Maintenance Reserve | 908,782 | - | - | - | 908,782 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 2,250,000 | - | - | - | 2,250,000 |
| New Jersey Unemployment Fund | 176,599 | - | - | - | 176,599 |
| Student Activities | - | 8,419 | - | - | 8,419 |
| Committed for: | | | | | |
| Capital Projects | - | - | 233,369 | - | 233,369 |
| Assigned to: | | | | | |
| Other Purposes | 46,495 | - | 110,000 | - | 156,495 |
| Debt Service Fund | - | - | - | 7,855 | 7,855 |
| Unassigned: | | | | | |
| General Fund | (131,818) | - | - | - | (131,818) |
| Total Fund Balances | 10,127,490 | 8,419 | 343,369 | 7,855 | 10,487,133 |
| Total Liabilities & Fund Balances | \$ 10,242,645 | \$ 647,086 | \$ 343,914 | \$ 255,752 | |

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

| | |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$39,822,651 and the accumulated depreciation is \$10,870,154. | 28,952,497 |
| PERS pension payable is not recorded in the fund financial statements due to the fact that the payable is not due in the current period. | (232,540) |
| 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. | (82,129) |
| Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the fund financial statements. | (1,068,974) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7) | (9,697,617) |
| Net Position of Governmental Activities | \$ 28,358,370 |

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|---|-----------------|----------------------------|-----------------------------|-------------------------|---------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 8,385,929 | \$ - | \$ - | \$ 291,316 | \$ 8,677,245 |
| Tuition Charges | 285,998 | - | - | - | 285,998 |
| Transportation | 27,748 | - | - | - | 27,748 |
| Interest Earned | 2,000 | - | 546 | 232 | 2,778 |
| Miscellaneous | 34,185 | 4,349 | - | - | 38,534 |
| Total Local Sources | 8,735,860 | 4,349 | 546 | 291,548 | 9,032,303 |
| State Sources | 14,710,067 | 991,624 | - | - | 15,701,691 |
| Federal Sources | 34,666 | 1,316,744 | - | - | 1,351,410 |
| Total Revenues | 23,480,593 | 2,312,717 | 546 | 291,548 | 26,085,404 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular | 4,795,550 | 1,463,663 | - | - | 6,259,213 |
| Special Education | 2,363,775 | - | - | - | 2,363,775 |
| Other Instruction | 463,449 | - | - | - | 463,449 |
| Support Services & Undistributed Costs: | | | | | |
| Tuition | 1,238,013 | - | - | - | 1,238,013 |
| Student & Instruction Related | | | | | |
| Services | 2,155,849 | 833,254 | - | - | 2,989,103 |
| General Administrative Services | 501,277 | - | - | - | 501,277 |
| School Administrative Services | 747,588 | - | - | - | 747,588 |
| Central Services | 568,775 | - | - | - | 568,775 |
| Plant Operations & Maintenance | 2,037,081 | - | - | - | 2,037,081 |
| Pupil Transportation | 373,672 | - | - | - | 373,672 |
| Unallocated Employee Benefits | 6,756,105 | - | - | - | 6,756,105 |
| Debt Service: | | | | | |
| Principal | - | - | - | 300,000 | 300,000 |
| Interest & Other Charges | 14,411 | - | - | 179,115 | 193,526 |
| Capital Outlay | 992,293 | 17,508 | - | - | 1,009,801 |
| Total Expenditures | 23,007,838 | 2,314,425 | - | 479,115 | 25,801,378 |
| Other Financing Sources\ (Uses): | | | | | |
| Transfer (In/(Out)) | (126,458) | - | (49,599) | 176,057 | - |
| Total Other Financing Sources\ (Uses) | (126,458) | - | (49,599) | 176,057 | - |
| Net Change in Fund Balances | 346,297 | (1,708) | (49,053) | (11,510) | 284,026 |
| Fund Balance - July 1 (restated) | 9,781,193 | 10,127 | 392,422 | 19,365 | 10,203,107 |
| Fund Balance - June 30 | \$ 10,127,490 | \$ 8,419 | \$ 343,369 | \$ 7,855 | \$ 10,487,133 |

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

**MOUNT HOLLY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 284,026

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period:

| | | |
|--|--------------|-----------|
| Depreciation Expense | \$ (815,852) | |
| Net Deletion and Adjustments of Capital Assets | (332,463) | |
| Capital Outlay | 1,009,801 | (138,514) |
| | | |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 300,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 129,580

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. 259,830

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 4,640

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

| | | |
|--------------|-----------|----------|
| Current Year | (632,387) | |
| Prior Year | 616,107 | (16,280) |
| | | |

Change in Net Position of Governmental Activities \$ 823,282

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Proprietary Funds

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**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|--|---|
| ASSETS | |
| Current Assets: | |
| Cash | \$ 87,959 |
| Intergovernmental Accounts Receivables | 12,787 |
| Inventories | 19,073 |
| | 119,819 |
| Total Current Assets | 119,819 |
| Fixed Assets: | |
| Equipment | 366,246 |
| Less: Accumulated Depreciation | (235,098) |
| | 131,148 |
| Total Fixed Assets | 131,148 |
| Total Assets | 250,967 |
| LIABILITIES | |
| Unearned Revenue | 16,866 |
| Total Liabilities | 16,866 |
| NET POSITION | |
| Net Investment in Capital Assets | 131,148 |
| Unrestricted Net Position | 102,953 |
| | 234,101 |
| Total Net Position | \$ 234,101 |

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

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|---|---|
| Operating Revenues: | |
| Local Sources: | |
| Daily Sales - Reimbursable Programs | \$ 4,412 |
| Special Functions | 1,330 |
| | <hr/> |
| Total Operating Revenues | 5,742 |
| | <hr/> |
| Operating Expenses: | |
| Cost of Sales- Reimbursable Programs | 92,570 |
| Salaries and Benefits | 97,635 |
| Supplies & Materials | 12,839 |
| Depreciation | 11,073 |
| Management Fee | 31,200 |
| Direct Services | 9,103 |
| | <hr/> |
| Total Operating Expenses | 254,420 |
| | <hr/> |
| Operating Income/(Loss) | (248,678) |
| | <hr/> |
| Nonoperating Revenues/(Expenses): | |
| State Sources: | |
| State School Lunch Program | 6,526 |
| Federal Sources: | |
| National School Lunch Program | 128,898 |
| National School Breakfast Program | 43,460 |
| Food Distribution Program | 19,318 |
| Healthy Hungry Kids Act | 2,556 |
| After School Snack | 1,081 |
| Gain/(Loss) on Adjustment to Fixed Assets | 108,322 |
| Interest Revenue | 261 |
| | <hr/> |
| Total Nonoperating Revenues/(Expenses) | 310,422 |
| | <hr/> |
| Net Income/(Loss) | 61,744 |
| Net Position - July 1 | 172,357 |
| | <hr/> |
| Net Position - June 30 | \$ 234,101 |
| | <hr/> <hr/> |

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

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND |
|--|---|
| Cash Flows From Operating Activities: | |
| Receipts from Customers | \$ 3,920 |
| Payments to Employees | (97,635) |
| Payments to Suppliers | (124,221) |
| | (217,936) |
| Cash Flows From Noncapital Financing Activities: | |
| Cash Received from State & Federal Reimbursements | 182,521 |
| | 182,521 |
| Cash Flows From Investing Activities: | |
| Purchase of Capital Equipment | (24,933) |
| Interest & Dividends | 261 |
| | (24,672) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (60,087) |
| Balances - Beginning of Year | 148,046 |
| | 148,046 |
| Balances - End of Year | \$ 87,959 |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Operating Income/(Loss) | \$ (248,678) |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Depreciation | 11,073 |
| Food Distribution Program | 19,318 |
| (Increase)/Decrease in Receivables | (472) |
| (Increase)/Decrease in Inventories | 2,173 |
| Increase/(Decrease) in Unearned Revenues | (1,350) |
| | 30,742 |
| Total Adjustments | 30,742 |
| Net Cash Provided/(Used) by Operating Activities | \$ (217,936) |

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

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MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The Mount Holly Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board consists of 5 members elected to three-year terms and is responsible for the fiscal control of the District. The terms are staggered so that members' terms expire each year. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 8. The Mount Holly Township School District has an approximate enrollment at June 30, 2021 of 1,010 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the District.

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

combined with the governmental activities in the Government-Wide financial statements.

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

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

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 in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

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

The District reports the following major proprietary funds:

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

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

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

Budgets/Budgetary Control

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

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

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

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

| | |
|----------------------|---------------|
| Equipment & Vehicles | 3 – 20 Years |
| Buildings | 30 – 50 Years |
| Improvements | 10 – 50 Years |
| Software | 5 – 7 Years |

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

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

its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

- spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

Pensions

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the District’s bank balance of \$11,152,623 was exposed to custodial credit risk as follows:

| | | |
|--------------------------------|----|------------|
| Insured under FDIC and GUDPA | \$ | 10,938,069 |
| Uninsured and Uncollateralized | | 214,553 |
| | \$ | 11,152,623 |

Investments

The District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

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, 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 School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued)

N.J.S.A.19:60-2. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

| | |
|---------------------------------|---------------------|
| Beginning Balance, July 1, 2020 | \$ 4,995,086 |
| Increased by: | |
| Interest | 2,000 |
| Deposits approved by Board | <u>1,301,804</u> |
| | 6,298,890 |
| Decreased by: | |
| Budget Withdrawals | <u>(1,496,458)</u> |
| Ending Balance, June 30, 2021 | <u>\$ 4,802,432</u> |

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is \$21,236,439. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's Long Rang Facilities Plan.

Maintenance Reserve

Mount Holly Township School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

| | |
|---------------------------------|-------------------|
| Beginning Balance, July 1, 2020 | \$ 962,782 |
| Increased by: | |
| Deposits approved by Board | <u>100,000</u> |
| | 1,062,782 |
| Decreased by: | |
| Budget Withdrawals | <u>(154,000)</u> |
| Ending Balance, June 30, 2021 | <u>\$ 908,782</u> |

Emergency Reserve

An emergency reserve account was established by inclusion of \$250,000 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued)

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

The activity of the Emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

| | | |
|---------------------------------|----|-----------|
| Beginning Balance, July 1, 2020 | \$ | 250,000 |
| Decreased by: | | |
| Budget Withdrawals | | (250,000) |
| Ending Balance, June 30, 2021 | \$ | - |

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District's individual major, in the aggregate, are as follows:

| <u>Description</u> | <u>Governmental Funds</u> | | | <u>Proprietary Funds</u> | |
|--------------------|---------------------------|-------------------------------------|--|------------------------------|---|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Activities</u> | <u>Food Service Fund</u> | <u>Total Business-Type Activities</u> |
| Federal Awards | \$ - | \$ 115,158 | \$ 115,158 | \$ 12,045 | \$ 12,045 |
| State Awards | 265,062 | - | 265,062 | 742 | 742 |
| Other | 184,605 | 5,000 | 189,605 | - | - |
| Total | \$ 449,667 | \$ 120,158 | \$ 569,825 | \$ 12,787 | \$ 12,787 |

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Retirements and Transfers</u> | <u>Adjustments</u> | <u>Balance June 30, 2021</u> |
|---|---------------------------------|-------------------|--------------------------------------|---------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 9,786,500 | \$ - | \$ - | \$ - | \$ 9,786,500 |
| Total Capital Assets not being depreciated | <u>9,786,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,786,500</u> |
| Capital Assets being depreciated: | | | | | |
| Building Improvements | 25,412,501 | 706,127 | - | (120,976) | 25,997,652 |
| Equipment | 3,894,865 | 303,674 | (109,934) | (50,106) | 4,038,499 |
| Total Capital Assets being depreciated | <u>29,307,366</u> | <u>1,009,801</u> | <u>(109,934)</u> | <u>(171,082)</u> | <u>30,036,151</u> |
| Less: Accumulated Depreciation: | | | | | |
| Building Improvements | (7,308,499) | (581,071) | - | (55,374) | (7,944,944) |
| Equipment | (2,694,356) | (234,781) | - | 3,927 | (2,925,210) |
| Total Accumulated Depreciation | <u>(10,002,855)</u> | <u>(815,852)</u> | <u>-</u> | <u>(51,447)</u> | <u>(10,870,154)</u> |
| Total Capital Assets being depreciated, net | <u>19,304,511</u> | <u>193,949</u> | <u>(109,934)</u> | <u>(222,529)</u> | <u>19,165,997</u> |
| Total Governmental Activities Capital Assets, net | \$ <u>29,091,011</u> | \$ <u>193,949</u> | \$ <u>(109,934)</u> | \$ <u>(222,529)</u> | \$ <u>28,952,497</u> |

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Retirements and Transfers</u> | <u>Adjustments</u> | <u>Balance June 30, 2021</u> |
|--|-------------------------------------|------------------|--------------------------------------|--------------------|--------------------------------------|
| Business-Type Activities: | | | | | |
| Equipment | \$ 301,330 | \$ 24,933 | \$ - | \$ 39,983 | \$ 366,246 |
| | <u>301,330</u> | <u>24,933</u> | <u>-</u> | <u>39,983</u> | <u>366,246</u> |
| Less: Accumulated Depreciation: | | | | | |
| Equipment | (292,364) | (11,073) | - | 68,339 | (235,098) |
| | <u>(292,364)</u> | <u>(11,073)</u> | <u>-</u> | <u>68,339</u> | <u>(235,098)</u> |
| Total Business-Type Activities Capital Assets, net | \$ <u>8,966</u> | \$ <u>13,860</u> | \$ <u>-</u> | \$ <u>108,322</u> | \$ <u>131,148</u> |

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

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ 247,897 | \$ - |
| Capital Projects Fund | - | 545 |
| Debt Service Fund | 545 | 247,897 |
| | <u>\$ 248,442</u> | <u>\$ 248,442</u> |

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Interfund Receivables, Payables and Transfers (continued)

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

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| General Fund | \$ - | \$ 126,458 |
| Capital Projects Fund | - | 49,599 |
| Debt Service Fund | 176,057 | - |
| | <u>\$ 176,057</u> | <u>\$ 176,057</u> |

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2021</u> | <u>Balance Due Within One Year</u> |
|--------------------------|---------------------------------|------------------|-------------------|----------------------------------|--|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 5,884,000 | \$ - | \$ 300,000 | \$ 5,584,000 | \$ 305,000 |
| Capital Leases | 456,229 | - | 129,580 | 326,649 | 131,078 |
| Compensated Absences | 616,107 | 16,280 | - | 632,387 | - |
| Net Pension Liability | 3,412,230 | - | 257,649 | 3,154,581 | - |
| | <u>\$ 10,368,566</u> | <u>\$ 16,280</u> | <u>\$ 687,229</u> | <u>\$ 9,697,617</u> | <u>\$ 436,078</u> |

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

Bonds Payable

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

In July 2015, the District issued \$6,939,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 3.50% and mature on July 1, 2035.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 7. Long-Term Obligations (continued)

Principal and interest due on the outstanding bonds as of June 30, 2021 is as follows:

| Fiscal Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|---------------------|---------------------|---------------------|
| 2022 | \$ 305,000 | \$ 170,040 | \$ 475,040 |
| 2023 | 315,000 | 160,740 | 475,740 |
| 2024 | 330,000 | 151,065 | 481,065 |
| 2025 | 340,000 | 141,015 | 481,015 |
| 2026 | 355,000 | 130,590 | 485,590 |
| 2027-2031 | 2,055,000 | 478,200 | 2,533,200 |
| 2032-2035 | 1,884,000 | 130,628 | 2,014,628 |
| | <u>\$ 5,584,000</u> | <u>\$ 1,362,278</u> | <u>\$ 6,946,278</u> |

Capital Lease Payable

In December 2017, the District entered into a lease purchase agreement for \$216,000. The lease obligation was issued with variable interest rates and matures in November 2022.

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

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

Note 7. Long-Term Obligations (continued)

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

The following is a schedule of future minimum lease payments under capital leases as of June 30, 2021

| Fiscal Year Ending <u>June 30,</u> | |
|---------------------------------------|---|
| 2022 | \$ 138,329 |
| 2023 | 111,038 |
| 2024 | 67,262 |
| 2025 | <u>22,225</u> |
| | Total Minimum Lease Payments 338,854 |
| | Less: Amount Representing Interest <u>(12,205)</u> |
| | Present Value of Minimum Lease Payments <u>\$ 326,649</u> |

At June 30, 2021 the minimum lease payments due within one year is \$138,329.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the District reported a liability of \$3,154,581 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 0.01935%, which was a decrease of 0.00041% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$(48,212) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. 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 | \$ 57,440 | \$ 11,156 |
| Changes of Assumptions | 102,338 | 1,320,853 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 107,826 | - |
| Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions | 88,177 | 325,286 |
| School District Contributions Subsequent to Measurement Date | 232,540 | - |
| | \$ 588,321 | \$ 1,657,295 |

\$232,540 reported as deferred outflows of resources resulting from the District contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

| Year Ending | |
|------------------------|-----------------------|
| <u>June 30,</u> | <u>Amount</u> |
| 2022 | \$ (2,653,686) |
| 2023 | (1,344,247) |
| 2024 | (150,997) |
| 2025 | 16,225 |
| 2026 | <u>2,831,191</u> |
| | <u>\$ (1,301,514)</u> |

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

| | <u>Deferred</u> | <u>Deferred</u> |
|--|--------------------------|-------------------------|
| | <u>Outflow of</u> | <u>Inflow of</u> |
| | <u>Resources</u> | <u>Resources</u> |
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | 5.63 | - |
| June 30, 2019 | 5.21 | - |
| June 30, 2020 | 5.16 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| June 30, 2020 | - | 5.16 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |
| June 30, 2020 | 5.16 | 5.16 |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

| | |
|---|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00 - 6.00% Based on Years of Service |
| Thereafter | 3.00 - 7.00% Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020 |
| Period of Actuarial Experience | |
| Study upon which Actuarial Assumptions were Based | July 1, 2014 - June 30, 2018 |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 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% |
| U.S. Equity | 27.00% | 7.71% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.57% |
| Emerging Markets Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% 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:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--|------------------------------------|
| District's Proportionate Share of the Net Pension Liability | <u>\$ 4,002,317</u> | <u>\$ 3,154,581</u> | <u>\$ 2,481,107</u> |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

| | <u>6/30/2021</u> | <u>6/30/2020</u> |
|--|------------------|------------------|
| Actuarial valuation date (including roll forward) | June 30, 2020 | June 30, 2019 |
| Collective Deferred Outflows of Resources | \$ 2,347,583,337 | \$ 3,149,522,616 |
| Collective Deferred Inflows of Resources | 7,849,949,467 | 7,645,087,574 |
| Collective Net Pension Liability | 16,435,616,426 | 18,143,832,135 |
| District's portion of the Plan's total Net Pension Liability | 0.01934% | 0.01894% |

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

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

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the District as of June 30, 2020 was \$1,700,682. 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 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the District was 0.07505%, which was a decrease of (0.00322)% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized \$3,073,167 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The 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 in the measurement:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| 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% |
| U.S. Equity | 27.00% | 7.71% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.57% |
| Emerging Markets Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease <u>(4.40%)</u> | Current Discount Rate <u>(5.40%)</u> | 1% Increase <u>(6.40%)</u> |
|--|---|---|---|
| Mount Holly School Districts Proportionate Share" of the Net Pension Liability | \$ - | \$ - | \$ - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the Mount Holly School District | <u>58,049,976</u> | <u>49,420,345</u> | <u>42,254,879</u> |
| | <u>\$ 58,049,976</u> | <u>\$ 49,420,345</u> | <u>\$ 42,254,879</u> |

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

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Balances at June 30, 2021 and June 30, 2020

| | <u>6/30/2020</u> | <u>6/30/2019</u> |
|--|------------------|-------------------|
| Collective Deferred Outflows of Resources | \$ 9,626,548,228 | \$ 10,129,162,237 |
| Collective Deferred Inflows of Resources | 14,591,988,841 | 17,736,240,054 |
| Collective Net Pension Liability | 65,993,498,688 | 61,519,112,443 |
| District's portion of the Plan's total Net Pension Liability | 0.07505% | 0.07828% |

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

General Information about the OPEB Plan

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

| | TPAF/ABP | PERS | PFRS |
|-----------------------------------|--|--|---|
| Salary Increases: Through 2026 | 1.55 - 4.45% based on years of service | 2.00 - 6.00% based on years of service | 3.25 - 15.25% based on years of service |
| Thereafter | 1.55 - 4.45% based on years of service | 3.00 - 7.00% based on years of service | Applied to all future years |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$61,930,326. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

OPEB Obligation and OPEB

the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0913%, which was a decrease of 0.00169% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$2,609,694 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 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 rates 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 the Medicare Part B reimbursement, 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 the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

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

| | June 30, 2020 | | |
|--|---------------------------|-----------------------------|---------------------------|
| | At 1% Decrease (1.21%) | At Discount Rate (2.21%) | At 1% Increase (3.21%) |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 74,660,205 | \$ 61,930,326 | \$ 51,976,787 |
| State of New Jersey's Total Non- employer Liability | \$ 81,748,410,002 | \$ 67,809,962,608 | \$ 56,911,439,160 |

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2020 | | |
|--|----------------------|---------------------------------|-------------------|
| | 1% Decrease | Healthcare Cost Trend Rate * | 1% Increase |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 49,992,248 | \$ 61,930,326 | \$ 76,145,924 |
| State of New Jersey's Total Nonemployer OPEB Liability | \$ 54,738,488,540 | \$ 67,809,962,608 | \$ 83,375,182,975 |

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Change in Proportion Differences between Expected & Actual Experience | \$ 10,295,318,750 | \$ (9,170,703,615) |
| Change in Assumptions | - | - |
| Change in Assumptions | 11,534,251,250 | (7,737,500,827) |
| Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date ** | TBD | - |
| | <u>\$ 21,829,570,000</u> | <u>\$ (16,908,204,442)</u> |

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

| Fiscal Year Ending June 30, | | |
|--------------------------------|----|---------------|
| 2021 | \$ | 43,440,417 |
| 2022 | | 43,440,417 |
| 2023 | | 43,440,417 |
| 2024 | | 43,440,417 |
| 2025 | | 43,440,417 |
| Thereafter | | 4,704,163,473 |
| | \$ | 4,921,365,558 |

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

| | June 30, 2019 |
|--|---------------|
| Active Plan Members | 216,804 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 149,304 |
| | 366,108 |

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

| Total OPEB Liability | |
|---|-------------------|
| Service Cost | \$ 1,790,973,822 |
| Interest Cost | 1,503,341,357 |
| Difference Between Expected & Actual Experience | 11,544,750,637 |
| Changes of Assumptions | 12,386,549,981 |
| Contributions: Member | 35,781,384 |
| Gross Benefit Payments | (1,180,515,618) |
| Net Change in Total OPEB Liability | 26,080,881,563 |
| Total OPEB Liability (Beginning) | 41,729,081,045 |
| Total OPEB Liability (Ending) | \$ 67,809,962,608 |
| Total Covered Employee Payroll | \$ 14,267,738,658 |
| Net OPEB Liability as a Percentage of Payroll | 475% |

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

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

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$2,354,030, \$737,716 and \$1,945, respectively.

Note 11. Risk Management

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

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. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the District’s trust fund for the current and previous two years:

| <u>Fiscal Year</u> | <u>Employee Contributions</u> | <u>Interest Earnings</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|--------------------------|--------------------------|-----------------------|
| 2020-2021 | \$ 18,731 | \$ 334 | \$ 5,368 | \$ 195,330 |
| 2019-2020 | 18,565 | 2,192 | 26,561 | 181,633 |
| 2018-2019 | 12,257 | 2,720 | 19,214 | 187,437 |

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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.

Note 13. Deferred Compensation

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

Note 14. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts’ agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$632,387.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the District is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the 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 District.

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$2,075,000.

Note 17. Fund Balances

General Fund – Of the \$10,127,490 General Fund balance at June 30, 2021, \$4,802,432 has been restricted for the Capital Reserve Account; \$908,782 has been restricted for the Maintenance Reserve Account; \$176,599 has been restricted for the Unemployment Reserve Account; \$2,075,000 has been restricted for current year excess surplus; \$2,250,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$46,495 has been assigned to other purposes; and \$(131,818) has been unassigned.

Special Revenue Fund – Of the \$8,419 Special Revenue Fund balance at June 30, 2021, \$8,419 is restricted for future student activities.

Capital Projects Fund – Of the \$343,369 Capital Projects Fund balance at June 30, 2021, \$233,369 is restricted for future capital projects and \$110,000 is assigned to other purposes.

Debt Service Fund – Of the \$7,855 Debt Service Fund balance at June 30, 2021, \$7,855 is restricted for future debt service payments.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 18. Deficit Fund Balances

The District has a deficit fund balance of \$(131,818) in the General Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(131,818) which is less than the last state aid payment.

Note 19. Deficit in Net Position

Unrestricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$(5,255,934). The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 20. Restatement of Prior Period Financial Statement

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund and Student Activities Fund. The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position

| | | |
|---|----|------------|
| Balance, July 1, 2020 prior to Adjustment | \$ | 27,343,328 |
| Add: | | |
| New Jersey Unemployment Trust | | 181,633 |
| Student Activities | | 10,127 |
| | | 191,758 |
| Balance, July 1, 2020, Restated | \$ | 27,535,088 |

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 20. Restatement of Prior Period Financial Statement (continued)

Prior Period Adjustment to Fund Balance (General Fund)

| | | |
|---|----|-----------|
| Balance, July 1, 2020 prior to Adjustment | \$ | 9,599,560 |
| Add: | | |
| New Jersey Unemployment Trust | | 181,633 |
| Balance, July 1, 2020, Restated | \$ | 9,781,193 |

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

| | | |
|---|----|--------|
| Balance, July 1, 2020 prior to Adjustment | \$ | - |
| Add: | | |
| Student Activities | | 10,127 |
| Balance, July 1, 2020, Restated | \$ | 10,127 |

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 2, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the District that would require disclosure.

COVID 19:

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the District has not been materially and adversely affected financially due to the virus.

Debt Issued:

During September 2021, the District issued Series 2021 Refunding Bonds in the amount of \$5,215,000. The proceeds of the bond will be used to currently refund all the School District's outstanding Series 2014, callable School Bonds. These bonds will be maturing on July 15 in the years 2023 through 2034.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|--------------------|---------------------|-------------------|-------------------|---|
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 10-1210 | \$ 8,385,929 | \$ - | \$ 8,385,929 | \$ 8,385,929 | \$ - |
| Interest on Capital Reserve | 10-1XXX | 2,000 | - | 2,000 | 2,000 | - |
| Tuition from LEAs Within State | 10-1320 | - | - | - | 154,603 | 154,603 |
| Tuition from Other Govt Sources | 10-1321 | - | - | - | 131,395 | 131,395 |
| Transportation Fees from Other LEAs | 10-1420 | - | - | - | 27,748 | 27,748 |
| Unrestricted Miscellaneous | 10-1990 | 15,000 | - | 15,000 | 34,185 | 19,185 |
| Total Local Sources | | 8,402,929 | - | 8,402,929 | 8,735,860 | 332,931 |
| State Sources: | | | | | | |
| Categorical Transportation Aid | 10-3121 | 127,355 | - | 127,355 | 127,355 | - |
| Extraordinary Aid | 10-3131 | 12,500 | - | 12,500 | 179,120 | 166,620 |
| Categorical Special Education Aid | 10-3132 | 755,237 | - | 755,237 | 755,237 | - |
| Equalization Aid | 10-3176 | 8,772,918 | (298,179) | 8,474,739 | 8,474,739 | - |
| Categorical Security Aid | 10-3177 | 337,977 | - | 337,977 | 337,977 | - |
| Adjustment Aid | 10-3178 | 1,025,803 | - | 1,025,803 | 1,025,803 | - |
| Non Public Transportation Aid | 10-3190 | - | - | - | 6,380 | 6,380 |
| Homeless Tuition Aid | | - | - | - | 79,562 | 79,562 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 737,716 | 737,716 |
| On-Behalf TPAF Pension Contributions | | - | - | - | 2,354,030 | 2,354,030 |
| On-Behalf TPAF Long-Term Disability Insurance | | - | - | - | 1,945 | 1,945 |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 652,773 | 652,773 |
| Total State Sources | | 11,031,790 | (298,179) | 10,733,611 | 14,732,637 | 3,999,026 |
| Federal Sources: | | | | | | |
| Medicaid Reimbursement | 10-4200 | 31,121 | - | 31,121 | 34,666 | 3,545 |
| Total Federal Services | | 31,121 | - | 31,121 | 34,666 | 3,545 |
| Total Revenues | | 19,465,840 | (298,179) | 19,167,661 | 23,503,163 | 4,335,502 |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Instruction - Regular Programs: | | | | | | |
| Salaries of Teachers: | | | | | | |
| Kindergarten | 11-110-110-101 | 468,632 | - | 468,632 | 448,553 | 20,079 |
| Grades 1 - 5 | 11-120-100-101 | 2,346,320 | (16,791) | 2,329,529 | 2,239,558 | 89,971 |
| Grades 6 - 8 | 11-130-100-101 | 1,545,753 | - | 1,545,753 | 1,462,781 | 82,972 |
| Regular Programs - Home Instruction: | | | | | | |
| Salaries of Teachers | 11-150-100-101 | 12,300 | (610) | 11,690 | - | 11,690 |
| Purchased Professional & Educational Services | 11-150-100-320 | 18,000 | (8,047) | 9,953 | 1,800 | 8,153 |
| Regular Programs - Undistributed: | | | | | | |
| Other Salaries for Instruction | 11-190-100-106 | 170,243 | 6,509 | 176,752 | 102,310 | 74,442 |
| Purchased Professional & Educational Services | 11-190-100-320 | 347,121 | (21,609) | 325,512 | 200,975 | 124,537 |
| Purchased Technical Services | 11-190-100-340 | 26,400 | - | 26,400 | 23,228 | 3,172 |
| Other Purchased Services | 11-190-100-500 | 176,847 | 1,814 | 178,661 | 147,293 | 31,368 |
| General Supplies | 11-190-100-610 | 294,488 | (6,414) | 288,074 | 168,656 | 119,418 |
| Textbooks | 11-190-100-640 | 13,000 | - | 13,000 | 396 | 12,604 |
| Other Objects | 11-190-100-800 | 150 | - | 150 | - | 150 |
| Regular Programs - Employee Benefits: | | | | | | |
| Health Benefits | 11-1xx-100-270 | 85,000 | (85,000) | - | - | - |
| Tuition Reimbursement | 11-1xx-100-280 | 29,000 | (29,000) | - | - | - |
| Total Instruction - Regular Programs | | 5,533,254 | (159,148) | 5,374,106 | 4,795,550 | 578,556 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|--------------------|---------------------|------------------|------------------|---|
| Special Education: | | | | | | |
| Multiple Disabilities: | | | | | | |
| Salaries of Teachers | 11-212-100-101 | 439,533 | 11 | 439,544 | 402,635 | 36,909 |
| Other Salaries for Instruction | 11-212-100-106 | 195,207 | 767 | 195,974 | 167,903 | 28,071 |
| Purchased Professional & Educational Services | 11-212-100-320 | 299,733 | 16,450 | 316,183 | 265,656 | 50,527 |
| Other Purchased Services | 11-212-100-500 | 100 | 478 | 578 | 550 | 28 |
| General Supplies | 11-212-100-610 | 16,850 | (10,527) | 6,323 | 6,291 | 32 |
| Total Multiple Disabilities | | 951,423 | 7,179 | 958,602 | 843,035 | 115,567 |
| Resource Room/Center: | | | | | | |
| Salaries of Teachers | 11-213-100-101 | 1,312,426 | - | 1,312,426 | 1,278,201 | 34,225 |
| Other Salaries for Instruction | 11-213-100-106 | 73,330 | - | 73,330 | 17,958 | 55,372 |
| Purchased Professional & Educational Services | 11-213-100-320 | 50,000 | 56,003 | 106,003 | 54,149 | 51,854 |
| General Supplies | 11-213-100-610 | 3,329 | 3,586 | 6,915 | 6,569 | 346 |
| Total Resource Room/Center | | 1,439,085 | 59,589 | 1,498,674 | 1,356,877 | 141,797 |
| Preschool Disabilities - Full Time: | | | | | | |
| Salaries of Teachers | 11-216-100-101 | 108,954 | - | 108,954 | 108,954 | - |
| Other Salaries for Instruction | 11-216-100-106 | 46,517 | 9,250 | 55,767 | 53,008 | 2,759 |
| Purchased Professional & Educational Services | 11-216-100-320 | 2,000 | - | 2,000 | 1,128 | 872 |
| General Supplies | 11-216-100-600 | - | 777 | 777 | 773 | 4 |
| Total Preschool Disabilities - Full Time | | 157,471 | 10,027 | 167,498 | 163,863 | 3,635 |
| Employee Benefits - Special Education: | | | | | | |
| Health Benefits | 11-2xx-100-270 | 187,000 | (187,000) | - | - | - |
| Tuition Reimbursement | 11-2xx-100-280 | 13,000 | (13,000) | - | - | - |
| Total Employee Benefits - Special Education | | 200,000 | (200,000) | - | - | - |
| Total Special Education | | 2,747,979 | (123,205) | 2,624,774 | 2,363,775 | 260,999 |
| Basic Skills/Remedial: | | | | | | |
| Salaries of Teachers | 11-230-100-101 | 58,089 | 42,870 | 100,959 | 77,834 | 23,125 |
| Purchased Professional & Educational Services | 11-230-100-320 | 3,000 | - | 3,000 | 1,109 | 1,891 |
| General Supplies | 11-230-100-600 | 3,000 | (382) | 2,618 | 2,618 | - |
| Total Basic Skills/Remedial | | 64,089 | 42,488 | 106,577 | 81,561 | 25,016 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-------------------|--------------------|---------------------|------------------|------------------|---|
| Bilingual Education: | | | | | | |
| Salaries of Teachers | 11-240-100-101 | 143,669 | 11,625 | 155,294 | 155,294 | - |
| Other Salaries for Instruction | 11-240-100-106 | 5,000 | (3,025) | 1,975 | - | 1,975 |
| Purchased Professional & Educational Services | 11-240-100-320 | 4,000 | 2 | 4,002 | - | 4,002 |
| Other Purchased Services | 11-240-100-500 | - | - | - | - | - |
| General Supplies | 11-240-100-610 | 750 | 323 | 1,073 | 1,073 | - |
| Total Bilingual Education | | 153,419 | 8,925 | 162,344 | 156,367 | 5,977 |
| School Sponsored Cocurricular Activities: | | | | | | |
| Salaries of Teachers | 11-401-100-100 | 138,856 | - | 138,856 | 35,607 | 103,249 |
| Purchased Services | 11-401-100-500 | 7,967 | - | 7,967 | 1,240 | 6,727 |
| Supplies and Materials | 11-401-100-600 | 7,680 | 1,875 | 9,555 | 3,389 | 6,166 |
| Other Objects | 11-401-100-800 | 7,560 | - | 7,560 | 60 | 7,500 |
| Total School Sponsored Cocurricular Activities | | 162,063 | 1,875 | 163,938 | 40,296 | 123,642 |
| School Sponsored Athletics: | | | | | | |
| Salaries of Teachers | 11-402-100-100 | 30,574 | - | 30,574 | 3,717 | 26,857 |
| Total School Sponsored Athletics | | 30,574 | - | 30,574 | 3,717 | 26,857 |
| Other Instructional Programs: | | | | | | |
| Salaries of Teachers | 11-403-100-100 | 59,252 | 1,175 | 60,427 | 60,427 | - |
| Supplies and Materials | 11-403-100-600 | 4,500 | (1,175) | 3,325 | 211 | 3,114 |
| Total Other Instructional Programs | | 63,752 | - | 63,752 | 60,638 | 3,114 |
| Before & After School Programs: | | | | | | |
| Purchased Professional & Technical Services | 11-421-200-300 | 5,000 | - | 5,000 | - | 5,000 |
| Total Before & After School Programs | | 5,000 | - | 5,000 | - | 5,000 |
| Support Services: | | | | | | |
| Tuition: | | | | | | |
| Tuition to Other LEA's - Within State Regular | 11-000-100-561 | 210,000 | 50,000 | 260,000 | 227,915 | 32,085 |
| Tuition to Other LEA's - Within State Special | 11-000-100-562 | - | 17,600 | 17,600 | 17,578 | 22 |
| Tuition to County Special Services & Regular Day Schools | 11-000-100-565 | 702,000 | (88,737) | 613,263 | 430,743 | 182,520 |
| Tuition to Private Schools - Handicapped Within State | 11-000-100-566 | 441,500 | (34,390) | 407,110 | 386,387 | 20,723 |
| Tuition - Other | 11-000-100-569 | 144,400 | 30,990 | 175,390 | 175,390 | - |
| Total Tuition | | 1,497,900 | (24,537) | 1,473,363 | 1,238,013 | 235,350 |
| Attendance & Social Work Services: | | | | | | |
| Salaries | 11-000-211-100 | 58,296 | - | 58,296 | 58,296 | - |
| Salaries of Community/School Coordinators | 11-000-211-174 | 120,000 | (5,435) | 114,565 | 112,588 | 1,977 |
| Other Purchased Services | 11-000-211-500 | 1,500 | - | 1,500 | 1,095 | 405 |
| Total Attendance & Social Work Services | | 179,796 | (5,435) | 174,361 | 171,979 | 2,382 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|--------------------|---------------------|-----------------|----------------|---|
| Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 260,881 | (3,213) | 257,668 | 252,296 | 5,372 |
| Purchased Professional & Technical Services | 11-000-213-300 | 16,650 | - | 16,650 | 11,372 | 5,278 |
| Other Purchased Services | 11-000-213-500 | 1,030 | - | 1,030 | - | 1,030 |
| Supplies and Materials | 11-000-213-600 | 8,206 | 1,985 | 10,191 | 5,242 | 4,949 |
| Total Health Services | | 286,767 | (1,228) | 285,539 | 268,910 | 16,629 |
| Speech, OT, PT, Related & Extraordinary Services: | | | | | | |
| Salaries | 11-000-216-100 | 186,570 | - | 186,570 | 174,580 | 11,990 |
| Purchased Professional & Educational Services | 11-000-216-320 | 158,034 | 76,571 | 234,605 | 195,405 | 39,200 |
| Travel | 11-000-216-580 | 225 | - | 225 | 60 | 165 |
| Supplies and Materials | 11-000-216-600 | 8,352 | (7,180) | 1,172 | 1,171 | 1 |
| Total Speech, OT, PT, Related & Extraordinary Services: | | 353,181 | 69,391 | 422,572 | 371,216 | 51,356 |
| Other Support Services- Extra Services: | | | | | | |
| Purchased Professional & Educational Services | 11-000-217-320 | 126,100 | 38,292 | 164,392 | 120,870 | 43,522 |
| Total Other Support Services: | | 126,100 | 38,292 | 164,392 | 120,870 | 43,522 |
| Guidance: | | | | | | |
| Salaries of Other Professional Staff | 11-000-218-104 | 309,000 | - | 309,000 | 307,000 | 2,000 |
| Purchased Professional- Education Services | 11-000-218-320 | 4,000 | 64 | 4,064 | 2,110 | 1,954 |
| Supplies and Materials | 11-000-218-600 | 4,351 | (64) | 4,287 | 1,232 | 3,055 |
| Total Guidance | | 317,351 | - | 317,351 | 310,342 | 7,009 |
| Child Study Teams: | | | | | | |
| Salaries of Other Professional Staff | 11-000-219-104 | 475,175 | 1,140 | 476,315 | 455,923 | 20,392 |
| Salaries of Secretarial & Clerical Assistants | 11-000-219-105 | 103,495 | (24,215) | 79,280 | 62,379 | 16,901 |
| Purchased Professional & Educational Services | 11-000-219-320 | 73,618 | (29,244) | 44,374 | 35,055 | 9,319 |
| Other Purchased Services | 11-000-219-500 | 17,600 | 1,945 | 19,545 | 18,003 | 1,542 |
| Supplies and Materials | 11-000-219-600 | 16,000 | 15 | 16,015 | 13,867 | 2,148 |
| Other Objects | 11-000-219-800 | 2,500 | - | 2,500 | 1,650 | 850 |
| Total Child Study Teams | | 688,388 | (50,359) | 638,029 | 586,877 | 51,152 |
| Improvement of Instructional Services: | | | | | | |
| Salaries of Supervisor of Instruction | 11-000-221-102 | 58,130 | - | 58,130 | 52,839 | 5,291 |
| Salaries of Other Professional Staff | 11-000-221-104 | 30,084 | (1) | 30,083 | 10,878 | 19,205 |
| Salaries of Secretarial & Clerical Assistants | 11-000-221-105 | 20,308 | - | 20,308 | 20,308 | - |
| Purchased Professional & Educational Services | 11-000-221-320 | 5,541 | - | 5,541 | 4,846 | 695 |
| Other Purchased Services | 11-000-221-500 | 5,060 | - | 5,060 | 2,969 | 2,091 |
| Supplies and Materials | 11-000-221-600 | 5,300 | 2,010 | 7,310 | 5,887 | 1,423 |
| Other Objects | 11-000-221-800 | 1,325 | - | 1,325 | 1,070 | 255 |
| Total Improvement of Instructional Services | | 125,748 | 2,009 | 127,757 | 98,797 | 28,960 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|--------------------|---------------------|-----------------|----------------|---|
| Educational Media Services - School Library: | | | | | | |
| Salaries | 11-000-222-100 | 186,811 | - | 186,811 | 178,324 | 8,487 |
| Other Purchased Professional & Technical Services | 11-000-222-300 | 5,500 | (9) | 5,491 | 5,226 | 265 |
| Supplies and Materials | 11-000-222-600 | 14,336 | (1,591) | 12,745 | 10,698 | 2,047 |
| Other Objects | 11-000-222-800 | 105 | - | 105 | - | 105 |
| Total Educational Media Services - School Library | | 206,752 | (1,600) | 205,152 | 194,248 | 10,904 |
| Instructional Staff Training Services: | | | | | | |
| Salaries of Supervisor of Instruction | 11-000-223-102 | 58,130 | - | 58,130 | 52,839 | 5,291 |
| Salaries of Secretarial & Clerical Assistants | 11-000-223-105 | 20,308 | - | 20,308 | 20,308 | - |
| Purchased Professional & Educational Services | 11-000-223-320 | 24,000 | 6,350 | 30,350 | 30,350 | - |
| Other Purchased Prof and Tech Services | 11-000-223-390 | 50,000 | (1,500) | 48,500 | 48,500 | - |
| Other Purchased Services | 11-000-223-500 | 5,000 | (1,709) | 3,291 | 1,483 | 1,808 |
| Supplies and Materials | 11-000-223-600 | 3,498 | (3,000) | 498 | - | 498 |
| Other Objects | 11-000-223-800 | 102 | - | 102 | - | 102 |
| Total Instructional Staff Training Services | | 161,038 | 141 | 161,179 | 153,480 | 7,699 |
| General Administration: | | | | | | |
| Salaries | 11-000-230-100 | 240,441 | 9,606 | 250,047 | 249,625 | 422 |
| Legal Services | 11-000-230-331 | 62,000 | 29,039 | 91,039 | 84,323 | 6,716 |
| Audit Services | 11-000-230-332 | 26,450 | - | 26,450 | 26,032 | 418 |
| Architectural/Engineering Services | 11-000-230-334 | 15,000 | (10,190) | 4,810 | - | 4,810 |
| Other Purchased Professional Services | 11-000-230-339 | 8,000 | (2,000) | 6,000 | 6,000 | - |
| Purchased Technical Services | 11-000-230-340 | 18,500 | (5,000) | 13,500 | 13,136 | 364 |
| Communications/Telephone | 11-000-230-530 | 88,320 | 2,090 | 90,410 | 82,112 | 8,298 |
| BOE Other Purchased Services | 11-000-230-585 | 8,000 | - | 8,000 | 199 | 7,801 |
| Other Purchased Services | 11-000-230-590 | 21,261 | (1,296) | 19,965 | 14,167 | 5,798 |
| Supplies & Materials | 11-000-230-610 | 12,950 | (3,117) | 9,833 | 9,168 | 665 |
| BOE In-House Training/Supplies | 11-000-230-630 | 1,650 | - | 1,650 | 1,276 | 374 |
| Miscellaneous Expenditures | 11-000-230-890 | 3,700 | 2,450 | 6,150 | 6,150 | - |
| BOE Membership Dues & Fees | 11-000-230-895 | 10,445 | - | 10,445 | 9,089 | 1,356 |
| Total General Administration | | 516,717 | 21,582 | 538,299 | 501,277 | 37,022 |
| School Administration: | | | | | | |
| Salaries of Principals/Assistants Principals | 11-000-240-103 | 478,080 | (26,076) | 452,004 | 442,397 | 9,607 |
| Salaries of Secretarial & Clerical Assistants | 11-000-240-105 | 279,435 | 20,801 | 300,236 | 287,900 | 12,336 |
| Purchased Professional & Technical Services | 11-000-240-300 | 7,500 | (380) | 7,120 | - | 7,120 |
| Other Purchased Services | 11-000-240-500 | 7,900 | - | 7,900 | 780 | 7,120 |
| Supplies & Materials | 11-000-240-600 | 18,510 | (3,000) | 15,510 | 12,496 | 3,014 |
| Other Objects | 11-000-240-800 | 4,145 | 380 | 4,525 | 4,015 | 510 |
| Total School Administration | | 795,570 | (8,275) | 787,295 | 747,588 | 39,707 |
| Central Services: | | | | | | |
| Salaries | 11-000-251-100 | 329,891 | 55 | 329,946 | 329,946 | - |
| Purchased Professional Services | 11-000-251-330 | 11,500 | - | 11,500 | 9,959 | 1,541 |
| Miscellaneous Purchased Services | 11-000-251-592 | 10,135 | - | 10,135 | 5,112 | 5,023 |
| Supplies & Materials | 11-000-251-600 | 9,471 | 348 | 9,819 | 6,306 | 3,513 |
| Miscellaneous Expenditures | 11-000-251-890 | 2,800 | (55) | 2,745 | 1,655 | 1,090 |
| Total Central Services | | 363,797 | 348 | 364,145 | 352,978 | 11,167 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|--------------------|---------------------|------------------|------------------|---|
| Admin Info Technology: | | | | | | |
| Salaries | 11-000-252-100 | 78,854 | - | 78,854 | 65,072 | 13,782 |
| Purchased Technical Services | 11-000-252-340 | 146,955 | (3,161) | 143,794 | 136,014 | 7,780 |
| Supplies & Materials | 11-000-252-600 | 38,900 | 1,426 | 40,326 | 14,711 | 25,615 |
| Total Admin Info Technology | | 264,709 | (1,735) | 262,974 | 215,797 | 47,177 |
| Operation & Maintenance of Plant | | | | | | |
| Services - Employee Benefits: | | | | | | |
| Health Benefits | 11-000-260-270 | 250,000 | (250,000) | - | - | - |
| Total Health Benefits | | 250,000 | (250,000) | - | - | - |
| Operation & Maintenance of Plant Services: | | | | | | |
| Regular Maintenance School Facilities: | | | | | | |
| Cleaning, Repairs & Maintenance Services | 11-000-261-420 | 69,000 | 83,995 | 152,995 | 137,522 | 15,473 |
| General Supplies | 11-000-261-610 | 90,425 | (19,771) | 70,654 | 66,616 | 4,038 |
| Other Objects | 11-000-261-800 | 5,775 | (915) | 4,860 | 2,684 | 2,176 |
| Total Regular Maintenance School Facilities | | 165,200 | 63,309 | 228,509 | 206,822 | 21,687 |
| Custodial Services: | | | | | | |
| Salaries | 11-000-262-100 | 1,008,664 | - | 1,008,664 | 917,669 | 90,995 |
| Salaries of Non-Instructional Aides | 11-000-262-107 | 120,992 | - | 120,992 | 59,658 | 61,334 |
| Purchased Professional & Technical Services | 11-000-262-300 | 32,800 | (16,561) | 16,239 | 7,610 | 8,629 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 47,300 | (6,448) | 40,852 | 39,316 | 1,536 |
| Rental of Land & Buildings | 11-000-262-441 | 5,550 | (4,609) | 941 | 941 | - |
| Other Purchased Property Services | 11-000-262-490 | 55,000 | 1,400 | 56,400 | 32,814 | 23,586 |
| Insurance | 11-000-262-520 | 97,200 | 212 | 97,412 | 97,349 | 63 |
| Miscellaneous Purchased Services | 11-000-262-590 | 2,350 | 24 | 2,374 | 2,125 | 249 |
| General Supplies | 11-000-262-610 | 85,965 | (5,387) | 80,578 | 67,514 | 13,064 |
| Energy (Natural Gas) | 11-000-262-621 | 120,000 | 3,250 | 123,250 | 95,495 | 27,755 |
| Energy (Electricity) | 11-000-262-622 | 410,000 | 22,500 | 432,500 | 385,673 | 46,827 |
| Total Custodial Services | | 1,985,821 | (5,619) | 1,980,202 | 1,706,164 | 274,038 |
| Care & Upkeep of Grounds: | | | | | | |
| Cleaning, Repair & Maintenance Service | 11-000-263-420 | 25,925 | - | 25,925 | 13,889 | 12,036 |
| General Supplies | 11-000-263-610 | 36,400 | (8,700) | 27,700 | 11,525 | 16,175 |
| Total Care & Upkeep of Grounds | | 62,325 | (8,700) | 53,625 | 25,414 | 28,211 |
| Security: | | | | | | |
| Purchased Professional & Technical Services | 11-000-266-300 | 89,000 | (4,071) | 84,929 | 83,185 | 1,744 |
| Cleaning, Repair & Maintenance Service | 11-000-266-420 | 34,990 | (18,747) | 16,243 | 14,601 | 1,642 |
| General Supplies | 11-000-266-610 | 2,600 | 3,761 | 6,361 | - | 6,361 |
| Other Objects | 11-000-266-800 | 895 | - | 895 | 895 | - |
| Total Security | | 127,485 | (19,057) | 108,428 | 98,681 | 9,747 |
| Total Operation & Maintenance of Plant Services | | 2,340,831 | 29,933 | 2,370,764 | 2,037,081 | 333,683 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-------------------|--------------------|---------------------|-------------------|-------------------|---|
| Student Transportation Services: | | | | | | |
| Management Fee - ESC & CTSA Transportation Program | 11-000-270-350 | 20,000 | - | 20,000 | 15,000 | 5,000 |
| Contracted Services (Aid in Lieu- Non Public) | 11-000-270-503 | 40,000 | - | 40,000 | 18,099 | 21,901 |
| Contracted Services (Between Home & School) - Vendors | 11-000-270-512 | 24,220 | (22,039) | 2,181 | - | 2,181 |
| Contracted Services (Between Home & School) - Joint Agreement | 11-000-270-513 | - | 32,963 | 32,963 | 32,963 | - |
| Contracted Services (Special Education) - Vendors | 11-000-270-514 | - | 7,735 | 7,735 | 7,735 | - |
| Contracted Services (Special Education) - Joint Agreement | 11-000-270-515 | - | 13,842 | 13,842 | 13,842 | - |
| Contracted Services (Special Education Students) - ESCs & CTSA | 11-000-270-518 | 360,000 | (32,501) | 327,499 | 286,033 | 41,466 |
| Total Student Transportation Services | | 444,220 | - | 444,220 | 373,672 | 70,548 |
| Personal Services - Employee Benefits: | | | | | | |
| Social Security Contributions | 11-000-291-220 | 290,000 | 359 | 290,359 | 187,040 | 103,319 |
| Other Retirement Contributions - Regular | 11-000-291-241 | 248,500 | 1,112 | 249,612 | 228,390 | 21,222 |
| Unemployment Benefits | 11-000-291-250 | 10,000 | - | 10,000 | 5,369 | 4,631 |
| Workman's Compensation | 11-000-291-260 | 175,000 | (358) | 174,642 | 133,759 | 40,883 |
| Health Benefits | 11-000-291-270 | 2,192,350 | 445,508 | 2,637,858 | 2,257,600 | 380,258 |
| Tuition Reimbursement | 11-000-291-280 | 20,000 | 45,460 | 65,460 | 37,260 | 28,200 |
| Other Employee Benefits | 11-000-291-290 | 259,260 | 9,878 | 269,138 | 160,223 | 108,915 |
| Total Personal Services - Employee Benefits | | 3,195,110 | 501,959 | 3,697,069 | 3,009,641 | 687,428 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 737,716 | (737,716) |
| On-Behalf TPAF Pension Contributions | | - | - | - | 2,354,030 | (2,354,030) |
| On-Behalf TPAF Long-Term Disability Insurance | | - | - | - | 1,945 | (1,945) |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 652,773 | (652,773) |
| Total Nonbudgeted | | - | - | - | 3,746,464 | (3,746,464) |
| Total Undistributed Expenditures | | 12,113,975 | 320,486 | 12,434,461 | 14,499,230 | (2,064,769) |
| Total Expenditures - Current Expense | | 20,874,105 | 91,421 | 20,965,526 | 22,001,134 | (1,035,608) |
| Capital Outlay: | | | | | | |
| Interest to Capital Reserve | 10-604 | 2,000 | - | 2,000 | - | 2,000 |
| Equipment: | | | | | | |
| Regular Programs - Instruction: Grades 1 - 5 | 12-120-100-730 | - | 6,145 | 6,145 | 5,650 | 495 |
| Administration Info Tech | 12-000-252-730 | - | 5,943 | 5,943 | 5,254 | 689 |
| Maintenance Services | 12-000-261-730 | 154,000 | 31,378 | 185,378 | 164,782 | 20,596 |
| Care & Upkeep of Grounds | 12-000-263-730 | - | 24,317 | 24,317 | 21,284 | 3,033 |
| Total Equipment | | 154,000 | 67,783 | 221,783 | 196,970 | 24,813 |

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBER | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-------------------|---------------------|---------------------|---------------------|----------------------|---|
| Facilities Acquisition & Construction Services: | | | | | | |
| Architectural/Engineering Services | 12-000-400-334 | 170,000 | 5,330 | 175,330 | 171,468 | 3,862 |
| Construction Services | 12-000-400-450 | 1,200,000 | - | 1,200,000 | 624,989 | 575,011 |
| Assessment for Debt Service on SDA Funding | 12-000-400-896 | 13,277 | - | 13,277 | 13,277 | - |
| Total Acquisition & Construction Services | | <u>1,383,277</u> | <u>5,330</u> | <u>1,388,607</u> | <u>809,734</u> | <u>578,873</u> |
| Increase in Capital Reserve | 10-604 | <u>(126,458)</u> | <u>-</u> | <u>(126,458)</u> | <u>-</u> | <u>(126,458)</u> |
| Total Capital Outlay | | <u>1,412,819</u> | <u>73,113</u> | <u>1,485,932</u> | <u>1,006,704</u> | <u>479,228</u> |
| Total Expenditures | | <u>22,286,924</u> | <u>164,534</u> | <u>22,451,458</u> | <u>23,007,838</u> | <u>(556,380)</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | | <u>(2,821,084)</u> | <u>(462,713)</u> | <u>(3,283,797)</u> | <u>495,325</u> | <u>3,779,122</u> |
| Other Financing Sources/(Uses): | | | | | | |
| Transfer to Debt Service | 12-000-400-933 | (126,458) | - | (126,458) | (126,458) | - |
| Transfer to Charter Schools | 10-00-100-56x | (50,000) | 50,000 | - | - | - |
| Sources Over/(Under) Expenditures & Other Financing Uses | | <u>(2,997,542)</u> | <u>(412,713)</u> | <u>(3,410,255)</u> | <u>368,867</u> | <u>3,779,122</u> |
| Fund Balances, July 1 (restated) | | <u>10,833,896</u> | <u>-</u> | <u>10,833,896</u> | <u>10,833,896</u> | <u>-</u> |
| Fund Balances, June 30 | | <u>\$ 7,836,354</u> | <u>\$ (412,713)</u> | <u>\$ 7,423,641</u> | <u>\$ 11,202,763</u> | <u>\$ 3,779,122</u> |

RECAPITULATION OF BUDGET TRANSFERS

| | |
|-------------------------------------|-------------------|
| Prior Year Reserve for Encumbrances | \$ 162,713 |
| Emergency Reserve | <u>250,000</u> |
| Total Budget Transfers | <u>\$ 412,713</u> |

RECAPITULATION

| | |
|---|----------------------|
| Restricted Fund Balance: | |
| Reserve for Excess Surplus | \$ 2,075,000 |
| Maintenance Reserve | 908,782 |
| Capital Reserve Account | 4,802,432 |
| Reserve for New Jersey Unemployment Fund | 176,599 |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | 2,250,000 |
| Assigned Fund Balance: | |
| Year-End Encumbrances | 46,495 |
| Unassigned Fund Balance | <u>943,455</u> |
| Subtotal | 11,202,763 |
| Reconciliation to Governmental Fund Statements (GAAP): | |
| Last State Aid Payments Not Recognized on GAAP Basis | <u>(1,075,273)</u> |
| Total Fund Balance per Governmental Funds (GAAP) | <u>\$ 10,127,490</u> |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| REVENUES: | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|--------------------|---------------------|------------------|------------------|---|
| Local Sources | \$ - | \$ 1,997 | \$ 1,997 | \$ 4,349 | \$ 2,352 |
| State Sources | 1,152,930 | (166,092) | 986,838 | 986,837 | (1) |
| Federal Sources | 747,392 | 569,254 | 1,316,646 | 1,316,744 | 98 |
| Total - Revenues | 1,900,322 | 405,159 | 2,305,481 | 2,307,930 | 2,449 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 726,583 | (135,805) | 590,778 | 590,714 | 64 |
| Salaries of Aides | 67,140 | - | 67,140 | 64,254 | 2,886 |
| Professional Education Services | 79,600 | 6,810 | 86,410 | 73,071 | 13,339 |
| Other Purchased Services | 323,261 | 65,356 | 388,617 | 388,617 | - |
| General Supplies | 41,000 | 305,931 | 346,931 | 335,891 | 11,040 |
| Textbooks | - | 7,758 | 7,758 | - | 7,758 |
| Miscellaneous | 2,500 | 4,650 | 7,150 | 6,329 | 821 |
| Total Instruction | 1,240,084 | 254,700 | 1,494,784 | 1,458,876 | 35,908 |
| Support Services: | | | | | |
| Other Salaries | 146,193 | (30,814) | 115,379 | 150,694 | (35,315) |
| Purchased Technical Services | - | 7,523 | 7,523 | 7,520 | 3 |
| Purchased Educational Services | 264,870 | (53,133) | 211,737 | 211,487 | 250 |
| Other Employee Benefits | 220,615 | 64,038 | 284,653 | 304,471 | (19,818) |
| Other Purchased Services | - | 79,220 | 79,220 | 79,220 | - |
| Travel | 12,000 | 3,325 | 15,325 | 1,450 | 13,875 |
| Supplies & Materials | 16,560 | 62,792 | 79,352 | 74,352 | 5,000 |
| Student Activities | - | - | - | 4,060 | (4,060) |
| Total Support Services | 660,238 | 132,951 | 793,189 | 833,254 | (40,065) |
| Facilities Acquisition & Construction Services: | | | | | |
| Non-instructional Equipment | - | 17,508 | 17,508 | 17,508 | - |
| Total Facilities Acquisition & Construction Services | - | 17,508 | 17,508 | 17,508 | - |
| Total Expenditures | 1,900,322 | 405,159 | 2,305,481 | 2,309,638 | (4,157) |
| Total Outflows | 1,900,322 | 405,159 | 2,305,481 | 2,309,638 | (4,157) |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | \$ - | - | - | \$ (1,708) | \$ (1,708) |
| Fund Balance, July 1 | | | | \$ - | |
| Prior Period Adjustment | | | | 10,127 | |
| Fund Balance, July 1 (Restated) | | | | 10,127 | |
| Fund Balance, June 30 | | | | \$ 8,419 | |

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 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-Series) | \$ 23,503,163 | \$ 2,307,930 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior Year | - | 4,787 |
| Current Year | - | - |
| Difference - Budget to GAAP: | | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 1,052,703 | - |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (1,075,273) | - |
| | \$ 23,480,593 | \$ 2,312,717 |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2) | | |
| | \$ 23,480,593 | \$ 2,312,717 |
| Uses/Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 23,007,838 | \$ 2,309,638 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | - | 4,787 |
| | - | 4,787 |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2) | | |
| | \$ 23,007,838 | \$ 2,314,425 |

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 0.01934% | 0.01894% | 0.02044% | 0.02030% | 0.02205% | 0.02269% | 0.02148% | 0.02290% |
| District's proportionate share of the net pension liability (asset) | \$ 3,154,581 | \$ 3,412,230 | \$ 4,023,605 | \$ 4,725,445 | \$ 6,531,143 | \$ 5,094,517 | \$ 4,020,894 | \$ 4,376,091 |
| District's covered-employee payroll | 1,444,149 | 1,446,432 | 1,351,598 | 1,364,150 | 1,371,378 | 1,393,484 | 1,529,152 | 1,576,389 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 218.44% | 235.91% | 297.69% | 346.40% | 476.25% | 365.60% | 262.95% | 277.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

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

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 211,619 | \$ 184,205 | \$ 203,265 | \$ 188,055 | \$ 195,906 | \$ 195,114 | \$ 177,045 | \$ 172,525 |
| Contributions in relation to the contractually required contribution | (211,619) | (184,205) | (203,265) | (188,055) | (195,906) | (195,114) | (177,045) | (172,525) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 1,444,149 | \$ 1,446,432 | \$ 1,351,598 | \$ 1,364,150 | \$ 1,371,378 | \$ 1,393,484 | \$ 1,529,152 | \$ 1,576,389 |
| Contributions as a percentage of covered-employee payroll | 14.65% | 12.74% | 15.04% | 13.79% | 14.29% | 14.00% | 11.58% | 10.94% |

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

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

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| School District's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability (asset) associated with the District | 49,420,345 | 48,039,139 | 49,805,294 | 51,221,750 | 58,542,098 | 46,370,860 | 39,752,042 | 39,231,814 |
| District's covered-employee payroll | \$ 9,040,790 | \$ 8,749,429 | \$ 8,454,712 | \$ 8,180,846 | \$ 8,042,208 | \$ 7,206,805 | \$ 7,742,414 | \$ 7,397,391 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

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

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

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

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

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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

| | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|
| District's Total OPEB Liability | | | | |
| Service Cost | \$ 1,430,271 | \$ 1,371,668 | \$ 1,481,803 | \$ 1,797,478 |
| Interest Cost | 1,390,535 | 1,701,689 | 1,843,702 | 1,602,068 |
| Differences Between Expected and Actual Experiences | 10,024,918 | (6,850,594) | (4,655,118) | - |
| Changes of Assumptions | 11,312,542 | 578,773 | (4,954,233) | (6,676,316) |
| Contributions: Member | 32,679 | 35,322 | 39,898 | 43,131 |
| Gross Benefit Payments | (1,078,156) | (1,191,583) | (1,154,411) | (1,171,323) |
| Net Change in District's Total OPEB Liability | 23,112,789 | (4,354,725) | (7,398,359) | (4,404,962) |
| District's Total OPEB Liability (Beginning) | 38,817,537 | 43,172,262 | 50,570,621 | 54,975,583 |
| District's Total OPEB Liability (Ending) | <u>\$ 61,930,326</u> | <u>\$ 38,817,537</u> | <u>\$ 43,172,262</u> | <u>\$ 50,570,621</u> |
| District's Covered Employee Payroll | \$ 10,487,222 | \$ 10,195,861 | \$ 9,806,310 | \$ 9,532,444 |
| District's Net OPEB Liability as a Percentage of Payroll | 591% | 381% | 440% | 531% |

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 7.00% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 5.40% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| | TITLE I PART A | TITLE II PART A | TITLE III PART A | TITLE IV PART A | CORONA VIRUS RELIEF FUND | DIGITAL DIVIDE | CARES EMERGENCY RELIEF | IDEA - B | |
|---|-------------------|--------------------|---------------------|--------------------|--------------------------------|-------------------|------------------------------|-------------------|------------------|
| | | | | | | | | BASIC | PRESCHOOL |
| Revenues: | | | | | | | | | |
| Federal Sources | \$ 415,335 | \$ 57,778 | \$ 6,421 | \$ 31,257 | \$ 98,172 | \$ 5,525 | \$ 286,095 | \$ 404,667 | \$ 11,494 |
| Total Revenues | <u>415,335</u> | <u>57,778</u> | <u>6,421</u> | <u>31,257</u> | <u>98,172</u> | <u>5,525</u> | <u>286,095</u> | <u>404,667</u> | <u>11,494</u> |
| Expenditures: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | 188,213 | 10,393 | 3,415 | - | 24,628 | - | 54,227 | - | - |
| Professional Education Services | - | - | - | - | - | - | 11,175 | - | - |
| Tuition | - | - | - | - | - | - | - | 377,123 | 11,494 |
| General Supplies | 53,488 | - | - | 24,124 | - | 5,525 | 164,423 | 1,599 | - |
| Total Instruction | <u>241,701</u> | <u>10,393</u> | <u>3,415</u> | <u>24,124</u> | <u>24,628</u> | <u>5,525</u> | <u>229,825</u> | <u>378,722</u> | <u>11,494</u> |
| Support Services: | | | | | | | | | |
| Other Salaries | 26,943 | - | - | - | - | - | - | - | - |
| Purchased Technical Services | - | - | - | - | 7,520 | - | - | - | - |
| Other Employee Benefits | 143,191 | 10,469 | 3,006 | - | - | - | 23,258 | - | - |
| Other Purchased Services | 3,500 | 23,261 | - | 6,457 | 9,600 | - | 10,457 | 25,945 | - |
| Travel | - | - | - | - | - | - | 1,450 | - | - |
| Supplies & Materials | - | 13,655 | - | 676 | 44,305 | - | 15,716 | - | - |
| Total Support Services | <u>173,634</u> | <u>47,385</u> | <u>3,006</u> | <u>7,133</u> | <u>61,425</u> | <u>-</u> | <u>50,881</u> | <u>25,945</u> | <u>-</u> |
| Facilities Acquisition & Construction Services: | | | | | | | | | |
| Instructional Equipment | - | - | - | - | 12,119 | - | 5,389 | - | - |
| Total Facilities Acquisition & Construction Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,119</u> | <u>-</u> | <u>5,389</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>\$ 415,335</u> | <u>\$ 57,778</u> | <u>\$ 6,421</u> | <u>\$ 31,257</u> | <u>\$ 98,172</u> | <u>\$ 5,525</u> | <u>\$ 286,095</u> | <u>\$ 404,667</u> | <u>\$ 11,494</u> |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| | NONPUBLIC | | CHAPTER 192 AUXILIARY SERVICES | PRE-SCHOOL EDUCATION |
|---------------------------------|-----------|-----------|--------------------------------------|-------------------------|
| | TEXTBOOK | NURSING | COMPENSATORY EDUCATION | EXPANSION AID |
| Revenues: | | | | |
| State Sources | \$ 6,179 | \$ 12,954 | \$ 31,265 | \$ 925,527 |
| Total Revenues | 6,179 | 12,954 | 31,265 | 925,527 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | - | - | - | 309,838 |
| Salaries of Aides | - | - | - | 64,254 |
| Professional Education Services | - | 12,954 | 31,265 | 6,765 |
| General Supplies | - | - | - | 84,735 |
| Tuition | 6,179 | - | - | - |
| Other Objects | - | - | - | 150 |
| Total Instruction | 6,179 | 12,954 | 31,265 | 465,742 |
| Support Services: | | | | |
| Other Salaries | - | - | - | 123,751 |
| Other Employee Benefits | - | - | - | 124,547 |
| Purchased Educational Services | - | - | - | 211,487 |
| Total Support Services | - | - | - | 459,785 |
| Total Expenditures | \$ 6,179 | \$ 12,954 | \$ 31,265 | \$ 925,527 |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| | CHAPTER 193 HANDICAPPED SERVICES | | | | | | | |
|---|-------------------------------------|--------------------------------------|----------------------------|----------|---------------------------|-----------------------|--------------|------------------|
| | CORRECTIVE SPEECH | EXAMINATION AND CLASSIFICATION | PROJECT LEAD THE WAY | BASF | SUSTAINABLE NEW JERSEY | STUDENT ACTIVITIES | | 2021 |
| Revenues: | | | | | | | | |
| Local Sources | \$ - | \$ - | \$ 1,796 | \$ 2 | \$ 199 | \$ 2,352 | \$ | 4,349 |
| State Sources | 2,195 | 8,717 | - | - | - | - | - | 986,837 |
| Federal Sources | - | - | - | - | - | - | - | 1,316,744 |
| Total Revenues | 2,195 | 8,717 | 1,796 | 2 | 199 | 2,352 | | 2,307,930 |
| Expenditures: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | - | - | - | - | - | - | - | 590,714 |
| Salaries of Aides | - | - | - | - | - | - | - | 64,254 |
| Purchased Professional & Educational Services | 2,195 | 8,717 | - | - | - | - | - | 73,071 |
| Other Purchased Services | - | - | - | - | - | - | - | 388,617 |
| General Supplies | - | - | 1,796 | 2 | 199 | - | - | 335,891 |
| Tuition | - | - | - | - | - | - | - | 6,179 |
| Other Objects | - | - | - | - | - | - | - | 150 |
| Total Instruction | 2,195 | 8,717 | 1,796 | 2 | 199 | 4,060 | | 1,458,876 |
| Support Services: | | | | | | | | |
| Other Salaries | - | - | - | - | - | - | - | 150,694 |
| Purchased Technical Services | - | - | - | - | - | - | - | 7,520 |
| Purchased Educational Services | - | - | - | - | - | - | - | 211,487 |
| Other Employee Benefits | - | - | - | - | - | - | - | 304,471 |
| Other Purchased Services (400-500) | - | - | - | - | - | - | - | 79,220 |
| Travel | - | - | - | - | - | - | - | 1,450 |
| Supplies & Materials | - | - | - | - | - | - | - | 74,352 |
| Student Activities | - | - | - | - | - | - | 4,060 | 4,060 |
| Total Support Services | - | - | - | - | - | - | 4,060 | 833,254 |
| Facilities Acquisition & Construction Services: | | | | | | | | |
| Non-instructional Equipment | - | - | - | - | - | - | - | 17,508 |
| Total Facilities Acquisition & Construction Services | - | - | - | - | - | - | - | 17,508 |
| Total Expenditures | 2,195 | 8,717 | 1,796 | 2 | 199 | 4,060 | | 2,309,638 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - | - | (1,708) | (1,708) |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | - | - | 10,127 | 10,127 |
| Fund Balance, July 1 (Restated) | - | - | - | - | - | - | 10,127 | 10,127 |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,419 | \$ 8,419 |

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | BUDGETED | ACTUAL | VARIANCE |
|---------------------------------|--------------|-------------|-------------|
| Expenditures: | | | |
| Instruction: | | | |
| Salaries of Teachers | \$ 362,052 | \$ 309,838 | \$ 52,214 |
| Other Salaries for Instruction | 67,140 | 64,254 | 2,886 |
| Purchased Professional Services | 27,777 | 6,765 | 21,012 |
| Supplies | 299,985 | 84,735 | 215,250 |
| Other Objects | 150 | 150 | - |
| | <hr/> | <hr/> | <hr/> |
| Total Instruction | 757,104 | 465,742 | 291,362 |
| | <hr/> | <hr/> | <hr/> |
| Support Services: | | | |
| Other Salaries | 146,193 | 123,751 | 22,442 |
| Purchased Educational Services | 246,480 | 211,487 | 34,993 |
| Other Employee Benefits | 220,615 | 124,547 | 96,068 |
| Other Purchased Services | 7,432 | - | 7,432 |
| Travel | 8,700 | - | 8,700 |
| | <hr/> | <hr/> | <hr/> |
| Total Support Services | 629,420 | 459,785 | 169,635 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | \$ 1,386,524 | \$ 925,527 | \$ 460,997 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CALCULATION OF BUDGET AND CARRYOVER

| | |
|--|------------------------|
| Total Revised 2020-2021 Preschool Education Aid Allocation | \$ 1,172,580 |
| Add: Actual Preschool Education Aid Carryover (June 30, 2020) | <hr/> 268,954 |
| Total Preschool Education Aid Funds Available for 2020-2021 Budget | 1,441,534 |
| Less: 2020-2021 Budgeted Preschool Education Aid (Prior Year Budget Carryover) | <hr/> (1,386,524) |
| Available & Unbudgeted Preschool Education Aid Funds June 30, 2021 | 55,010 |
| Add: June 30, 2021 Unexpended Preschool Education Aid | <hr/> 460,997 |
| Total Actual Preschool Education Aid Carryover | <hr/> <hr/> \$ 516,007 |
| 2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022 | <hr/> <hr/> \$ 268,954 |

F. Capital Projects Fund

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**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| PROJECT TITLE/ISSUE | EXPENDITURES TO DATE | | UNEXPENDED BALANCE JUNE 30, 2021 |
|---|-------------------------|----------------------|---|
| | APPROPRIATIONS | PRIOR YEARS | |
| Various Capital Improvements: | | | |
| Bond Proceeds | \$ 6,939,000 | \$ 6,546,578 | \$ 49,053 |
| Transfer from Capital Reserve | 1,000,317 | 1,000,317 | - |
| State School Building Aid - (ROD) Grants | 12,540,209 | 12,540,209 | - |
| Total | \$ 20,479,526 | \$ 20,087,104 | \$ 49,053 |
| | | | \$ 343,369 |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | |
|---|---|
| Revenues & Other Financing Sources: | |
| Interest Earnings | <u>\$ 546</u> |
| Total Revenues | <u> 546</u> |
| Expenditures & Other Financing Uses: | |
| Transfer to Debt Service | <u> 49,599</u> |
| Total Expenditures | <u> 49,599</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (49,053) |
| Fund Balance - Beginning | <u> 392,422</u> |
| Fund Balance - Ending | <u><u> \$ 343,369</u></u> |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

ADDITIONAL PROJECT INFORMATION

| | |
|--|------------------|
| Project Number | 3430-040-14-1001 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | |
| Bonds Authorized | \$ 899,663 |
| Bonds Issued | 899,663 |
| Original Authorized Cost | 2,320,689 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 2,320,689 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 2016-2017 |
| Revised Target Completion Date | COMPLETE |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

ADDITIONAL PROJECT INFORMATION

| | |
|--|------------------|
| Project Number | 3430-040-14-1003 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | 6/18/2014 |
| Bonds Authorized | \$ 131,808 |
| Bonds Issued | 131,808 |
| Original Authorized Cost | 340,000 |
| Additional Authorized Cost | (8,133) |
| Revised Authorized Cost | 331,867 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -2.39% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 2016-2017 |
| Revised Target Completion Date | COMPLETE |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

ADDITIONAL PROJECT INFORMATION

| | |
|--|------------------|
| Project Number | 3430-050-14-1004 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | 6/18/2014 |
| Bonds Authorized | \$ 168,131 |
| Bonds Issued | 168,131 |
| Original Authorized Cost | 433,694 |
| Additional Authorized Cost | (15,368) |
| Revised Authorized Cost | 418,326 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -3.54% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 2016-2017 |
| Revised Target Completion Date | COMPLETE |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - FOLWELL ROOF
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

ADDITIONAL PROJECT INFORMATION

| | |
|---|------------------|
| Project Number | 3430-050-14-1005 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | 6/18/2014 |
| Bonds Authorized | \$ 393,543 |
| Bonds Issued | 393,543 |
| Original Authorized Cost | 1,015,148 |
| Additional Authorized Cost | (115,167) |
| Revised Authorized Cost | 899,981 |
| Percentage Increase Over Original Authorized Cost | 13% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 2016-2017 |
| Revised Target Completion Date | COMPLETE |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
GERTRUDE FOLWELL ELEMENTARY SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

ADDITIONAL PROJECT INFORMATION

| | |
|--|------------------|
| Project Number | 3430-050-14-1006 |
| Grant Date | 2014-2017 |
| Bond Authorization Date | \$ 3,360,584 |
| Bonds Authorized | 3,360,584 |
| Bonds Issued | |
| Original Authorized Cost | 5,565,730 |
| Additional Authorized Cost | (47,474) |
| Revised Authorized Cost | 5,518,256 |
| Percentage Increase/(Decrease) Over Original Authorized Cost | -0.85% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 2016-2017 |
| Revised Target Completion Date | COMPLETE |

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
F.W. HOLBEIN MIDDLE SCHOOL - HVAC REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|--------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 4,687,953 | \$ - | \$ 4,687,953 | \$ 4,687,953 |
| Transfer from Capital Reserve | 928,570 | - | 928,570 | 1,000,317 |
| Bond Proceeds | 2,320,423 | - | 2,320,423 | 2,320,423 |
| | <hr/> | | | |
| Total Reserve | 7,936,946 | - | 7,936,946 | 8,008,693 |
| <hr/> | | | | |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 861,050 | - | 861,050 | 771,952 |
| Construction Services | 6,778,267 | - | 6,778,267 | 6,883,985 |
| Transfer to Debt Service | 14,740 | 49,053 | 63,793 | - |
| | <hr/> | | | |
| Total Expenditures & Other Financing Uses | 7,639,317 | 49,053 | 7,703,110 | 7,655,937 |
| | <hr/> | | | |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 297,629 | \$ (49,053) | \$ 233,836 | \$ 352,756 |
| | <hr/> | | | |

ADDITIONAL PROJECT INFORMATION

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

G. Proprietary Funds

See Exhibits G-4 through G-6

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Internal Service Fund

Not Applicable

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I. Long-Term Debt

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**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES | | INTEREST RATE | BALANCE JULY 1, 2020 | ISSUED | RETIRED | BALANCE JUNE 30, 2021 |
|--------------------------|------------------|--------------------|-------------------|------------|------------------|----------------------------|--------|------------|-----------------------------|
| | | | DATE | AMOUNT | | | | | |
| General Obligation Bonds | 7/1/15 | \$ 6,939,000 | 07/01/2021 | \$ 305,000 | 3.00% | \$ 5,884,000 | \$ - | \$ 300,000 | \$ 5,584,000 |
| | | | 07/01/2022 | 315,000 | 3.00% | | | | |
| | | | 07/01/2023 | 330,000 | 3.00% | | | | |
| | | | 07/01/2024 | 340,000 | 3.00% | | | | |
| | | | 07/01/2025 | 355,000 | 3.00% | | | | |
| | | | 07/01/2026 | 370,000 | 3.00% | | | | |
| | | | 07/01/2027 | 390,000 | 3.00% | | | | |
| | | | 07/01/2028 | 415,000 | 3.00% | | | | |
| | | | 07/01/2029 | 430,000 | 3.00% | | | | |
| | | | 07/01/2030 | 450,000 | 3.00% | | | | |
| | | | 07/01/2031 | 460,000 | 3.25% | | | | |
| | | | 07/01/2032 | 470,000 | 3.25% | | | | |
| | | | 07/01/2033 | 475,000 | 3.50% | | | | |
| | | | 07/01/2034 | 479,000 | 3.50% | | | | |
| Total | | | | | | \$ 5,884,000 | \$ - | \$ 300,000 | \$ 5,584,000 |

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| SERIES | DATE OF LEASE | TERM OF LEASE | AMOUNT OF ORIGINAL LEASE PRINCIPAL | INTEREST | AMOUNT OUTSTANDING JUNE 30, 2020 | ISSUED CURRENT YEAR | RETIRED CURRENT YEAR | AMOUNT OUTSTANDING JUNE 30, 2021 |
|-------------------------|---------------|---------------|------------------------------------|-----------|----------------------------------|---------------------|----------------------|----------------------------------|
| | | | | | | | | |
| Duplicating Machines: | | | | | | | | |
| Copiers | 12/28/2017 | 5 Years | \$ 197,106 | \$ 18,894 | \$ 98,229 | \$ - | \$ 39,580 | \$ 58,649 |
| Classroom Equipment | | | | | | | | |
| Interactive Whiteboards | 8/1/2018 | 5 Years | 120,000 | 8,855 | 72,000 | - | 24,000 | 48,000 |
| Classroom Equipment | | | | | | | | |
| Interactive Whiteboards | 9/1/2018 | 5 Years | 220,000 | 12,794 | 176,000 | - | 44,000 | 132,000 |
| Classroom Equipment | | | | | | | | |
| Interactive Whiteboards | 4/1/2020 | 5 Years | 110,000 | 5,074 | 110,000 | - | 22,000 | 88,000 |
| Total | | | | | \$ 456,229 | \$ - | \$ 129,580 | \$ 326,649 |

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE UNFAVORABLE |
|--|--------------------|---------------------|-----------------|----------------|--------------------------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 291,316 | \$ - | \$ 291,316 | \$ 291,316 | \$ - |
| Interest | - | - | - | 232 | 232 |
| Total Revenues | 291,316 | - | 291,316 | 291,548 | 232 |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Principal | 300,000 | - | 300,000 | 300,000 | - |
| Interest | 179,115 | - | 179,115 | 179,115 | - |
| Total Expenditures | 479,115 | - | 479,115 | 479,115 | - |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | (187,799) | - | (187,799) | (187,567) | 232 |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfers In | 175,512 | - | 175,512 | 176,057 | 545 |
| Total Other Financing Sources/(Uses) | 175,512 | - | 175,512 | 176,057 | 545 |
| Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses | (12,287) | - | (12,287) | (11,510) | 777 |
| Fund Balances July 1, | 19,365 | - | 19,365 | 19,365 | - |
| Fund Balances June 30, | \$ 7,078 | \$ - | \$ 7,078 | \$ 7,855 | \$ 777 |

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | OUTSTANDING BALANCE 2020 | ADDITIONS | OUTSTANDING BALANCE 2021 |
|----------------------|--------------------------------|-----------|--------------------------------|
| Compensated Absences | \$ 616,107 | \$ 16,280 | \$ 632,387 |

STATISTICAL SECTION (Unaudited)

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital, Assets Restricted | \$ 23,041,848 | \$ 23,143,204 | \$ 22,633,285 | \$ 21,956,451 | \$ 21,755,250 | \$ 22,113,558 | \$ 16,362,715 | \$ 13,560,207 | \$ 12,074,204 | \$ 11,176,472 |
| Capital Projects | 5,145,801 | 4,995,086 | 4,938,768 | 623,006 | 627,711 | 2,987,248 | - | 115,069 | - | - |
| Debt Service | 7,855 | 19,365 | 193,862 | 46,242 | 99,829 | 39,779 | 17,762 | - | - | - |
| New Jersey Unemployment Fund | 176,599 | - | - | - | - | - | - | - | - | - |
| Student Activities | 8,419 | - | - | - | - | - | - | - | - | - |
| Other Purposes | 5,233,782 | 5,062,782 | 3,601,782 | 9,151,510 | 8,198,391 | 7,417,955 | 5,620,575 | 5,940,843 | 4,973,883 | 3,911,564 |
| Unrestricted | (5,255,934) | (5,877,109) | (5,543,065) | (6,456,819) | (6,482,855) | (8,404,457) | (4,997,172) | (1,049,410) | (728,261) | (669,401) |
| Total Governmental Activities | \$ 28,358,370 | \$ 27,343,328 | \$ 25,824,632 | \$ 25,320,390 | \$ 24,198,326 | \$ 24,154,083 | \$ 17,003,880 | \$ 18,566,709 | \$ 16,319,826 | \$ 14,418,635 |
| Net Position | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital, Assets Unrestricted | \$ 131,148 | \$ 8,966 | \$ 8,966 | \$ 8,566 | \$ 17,271 | \$ 25,947 | \$ 31,008 | \$ 42,161 | \$ 53,572 | \$ 77,512 |
| Unrestricted | 102,953 | 163,391 | 127,153 | 104,020 | 169,115 | 138,868 | 104,099 | 117,312 | 114,176 | 100,804 |
| Total Business-Type Activities | \$ 234,101 | \$ 172,357 | \$ 136,119 | \$ 112,586 | \$ 186,386 | \$ 164,815 | \$ 135,107 | \$ 159,473 | \$ 167,748 | \$ 178,316 |
| Government-Wide: | | | | | | | | | | |
| Net Investment in Capital, Assets Restricted: | | | | | | | | | | |
| Capital Projects | \$ 23,172,996 | \$ 23,152,170 | \$ 22,642,251 | \$ 21,965,017 | \$ 21,772,521 | \$ 22,139,505 | \$ 16,393,723 | \$ 13,602,368 | \$ 12,127,776 | \$ 11,253,984 |
| Debt Service | 5,145,801 | 4,995,086 | 4,938,768 | 623,006 | 627,711 | 2,987,248 | - | 115,069 | - | - |
| New Jersey Unemployment | 7,855 | 19,365 | 193,862 | 46,242 | 99,829 | 39,779 | 17,762 | - | - | - |
| Student Activities | 176,599 | - | - | - | - | - | - | - | - | - |
| Other Purposes | 8,419 | - | - | - | - | - | - | - | - | - |
| Unrestricted | 5,233,782 | 5,062,782 | 3,601,782 | 9,151,510 | 8,198,391 | 7,417,955 | 5,620,575 | 5,940,843 | 4,973,883 | 3,911,564 |
| Unrestricted | (5,152,981) | (5,713,718) | (5,415,912) | (6,352,799) | (6,313,740) | (8,265,589) | (4,893,073) | (932,098) | (614,085) | (568,597) |
| Total District Net Position | \$ 28,592,471 | \$ 27,515,685 | \$ 25,960,751 | \$ 25,432,976 | \$ 24,384,712 | \$ 24,318,898 | \$ 17,138,987 | \$ 18,726,182 | \$ 16,487,574 | \$ 14,596,951 |

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 6,259,213 | \$ 6,262,749 | \$ 5,663,494 | \$ 5,809,949 | \$ 5,682,083 | \$ 5,559,807 | \$ 5,387,538 | \$ 5,487,411 | \$ 5,213,542 | \$ 5,214,002 |
| Special Education | 2,363,775 | 2,305,417 | 2,131,289 | 2,115,466 | 2,018,801 | 2,162,306 | 2,320,943 | 2,067,351 | 2,048,603 | 1,882,857 |
| Other Instruction | 463,449 | 469,999 | 519,880 | 449,465 | 467,110 | 506,400 | 439,399 | 447,418 | 450,180 | 426,607 |
| Support Services & Undistributed Costs: | | | | | | | | | | |
| Tuition | 1,238,013 | 1,259,226 | 1,359,788 | 1,273,307 | 1,233,689 | 890,496 | 844,523 | 870,391 | 1,365,089 | 1,644,007 |
| Student & Instruction Related | | | | | | | | | | |
| Services | 2,989,103 | 2,469,242 | 2,313,927 | 2,030,323 | 2,087,780 | 1,989,139 | 1,963,948 | 1,958,042 | 1,878,373 | 1,693,995 |
| General Administrative | | | | | | | | | | |
| Services | 501,277 | 443,119 | 458,771 | 413,852 | 379,281 | 340,412 | 353,946 | 372,782 | 386,050 | 369,892 |
| School Administrative | | | | | | | | | | |
| Services | 747,588 | 734,271 | 728,340 | 702,518 | 690,529 | 721,377 | 693,063 | 687,619 | 590,906 | 555,994 |
| Central Services | 568,775 | 557,810 | 517,673 | 502,389 | 506,466 | 466,135 | 448,173 | 418,467 | 418,467 | 320,780 |
| Plant Operations & Maintenance | 1,907,501 | 1,808,375 | 2,355,571 | 1,951,131 | 6,229,117 | 1,922,024 | 1,833,142 | 1,574,198 | 1,839,744 | 1,703,287 |
| Pupil Transportation | 373,672 | 316,473 | 431,478 | 400,482 | 422,531 | 376,631 | 339,534 | 325,450 | 413,220 | 379,328 |
| Unallocated Benefits | 9,103,670 | 6,924,435 | 7,888,459 | 12,224,413 | 9,083,386 | 7,348,324 | 6,180,343 | 4,262,067 | 4,148,816 | 3,908,934 |
| Changes in Long-Term Debt | 188,886 | 287,936 | 225,921 | 311,642 | 277,390 | 305,584 | 118,547 | (118,023) | 269,082 | - |
| Reduction of Capital Leases | 925,786 | 872,633 | 793,058 | 707,170 | 647,006 | 440,877 | 255,799 | 132,723 | (51,116) | - |
| Unallocated Depreciation | - | - | 279,998 | - | - | - | - | - | 135,733 | - |
| Capital Asset Adjustments | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 27,630,708 | 24,711,685 | 25,667,647 | 28,892,107 | 29,725,169 | 23,029,512 | 21,178,898 | 18,485,896 | 18,688,222 | 18,279,186 |
| Expense | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 254,420 | 431,842 | 514,756 | 639,647 | 504,577 | 493,880 | 509,455 | 523,025 | 500,447 | 467,251 |
| Total Business-Type Activities | 254,420 | 431,842 | 514,756 | 639,647 | 504,577 | 493,880 | 509,455 | 523,025 | 500,447 | 467,251 |
| Expense | | | | | | | | | | |
| Total District Expenses | \$ 27,885,128 | \$ 25,143,527 | \$ 26,182,403 | \$ 29,531,754 | \$ 30,229,746 | \$ 23,523,392 | \$ 21,688,353 | \$ 19,008,921 | \$ 19,188,669 | \$ 18,746,437 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Operating Grants & Contributions | \$ 8,650,296 | \$ 6,287,996 | \$ 6,811,778 | \$ 8,232,578 | \$ 7,153,469 | \$ 5,560,432 | \$ 4,345,764 | \$ 2,539,068 | \$ 2,812,727 | \$ 1,666,996 |
| Total Governmental Activities | 8,650,296 | 6,287,996 | 6,811,778 | 8,232,578 | 7,153,469 | 5,560,432 | 4,345,764 | 2,539,068 | 2,812,727 | 1,666,996 |
| Program Revenues | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 5,742 | 99,337 | 122,043 | 130,749 | 118,697 | 125,126 | 137,893 | 157,605 | 157,605 | 158,248 |
| Operating Grants & Contributions | 201,839 | 365,827 | 413,004 | 433,151 | 406,867 | 398,279 | 347,101 | 338,960 | 338,960 | 302,410 |
| Total Business Type Activities | 207,581 | 465,164 | 535,047 | 563,900 | 525,564 | 523,405 | 484,994 | 496,565 | 496,565 | 460,658 |
| Program Revenues | | | | | | | | | | |
| Total District Program Revenues | \$ 8,857,877 | \$ 6,753,160 | \$ 7,346,825 | \$ 8,796,478 | \$ 7,679,033 | \$ 6,083,837 | \$ 4,830,758 | \$ 3,035,633 | \$ 3,309,292 | \$ 2,127,654 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (18,980,412) | \$ (18,423,689) | \$ (18,855,869) | \$ (20,659,529) | \$ (22,571,700) | \$ (17,469,080) | \$ (16,833,134) | \$ (15,946,828) | \$ (15,875,495) | \$ (16,612,190) |
| Business-Type Activities | (46,839) | 33,322 | 20,291 | (75,747) | 20,987 | 29,525 | (24,461) | (26,460) | (3,882) | (6,593) |
| Total Government-Wide Net Expense | \$ (19,027,251) | \$ (18,390,367) | \$ (18,835,578) | \$ (20,735,276) | \$ (22,550,713) | \$ (17,439,555) | \$ (16,857,595) | \$ (15,973,288) | \$ (15,879,377) | \$ (16,618,783) |

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes, Levied for | | | | | | | | | | |
| General Purposes, Net | \$ 8,677,245 | \$ 8,594,216 | \$ 8,432,729 | \$ 8,474,755 | \$ 8,126,448 | \$ 7,835,278 | \$ 7,400,372 | \$ 7,350,372 | \$ 7,300,372 | \$ 7,157,227 |
| Unrestricted Grants & | | | | | | | | | | |
| Contributions | 10,998,269 | 10,623,673 | 10,399,158 | 12,792,381 | 14,036,919 | 16,480,283 | 12,014,357 | 10,252,864 | 10,125,861 | 10,359,703 |
| Investment Earnings | 2,778 | 7,077 | 12,287 | 22,192 | 26,500 | 14,785 | 23,608 | 5,800 | 3,585 | 8,938 |
| Miscellaneous Income | 347,931 | 717,419 | 515,937 | 492,265 | 426,076 | 288,937 | 208,059 | 584,675 | 346,868 | 140,832 |
| Gain/Loss on Capital Assets | (222,529) | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 19,803,694 | 19,942,385 | 19,360,111 | 21,781,593 | 22,615,943 | 24,619,283 | 19,646,396 | 18,193,711 | 17,776,686 | 17,666,700 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 261 | 2,916 | 3,242 | 1,947 | 584 | 183 | 95 | 108 | 106 | 497 |
| Adjustment to Capital Assets | 108,322 | - | - | - | - | - | - | 5,921 | (6,792) | 54,143 |
| Total Business-Type Activities | 108,583 | 2,916 | 3,242 | 1,947 | 584 | 183 | 95 | 6,029 | (6,686) | 54,640 |
| Total Government-Wide | \$ 19,912,277 | \$ 19,945,301 | \$ 19,363,353 | \$ 21,783,540 | \$ 22,616,527 | \$ 24,619,466 | \$ 19,646,491 | \$ 18,199,740 | \$ 17,770,000 | \$ 17,721,340 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 823,282 | \$ 1,518,696 | \$ 504,242 | \$ 1,122,064 | \$ 44,243 | \$ 7,150,203 | \$ 2,813,262 | \$ 2,246,883 | \$ 1,901,191 | \$ 1,054,510 |
| Business-Type Activities | 61,744 | 36,238 | 23,533 | (73,800) | 21,571 | 29,708 | (24,366) | (20,431) | (10,568) | 48,047 |
| Total District | \$ 885,026 | \$ 1,554,934 | \$ 527,775 | \$ 1,048,264 | \$ 65,814 | \$ 7,179,911 | \$ 2,788,896 | \$ 2,226,452 | \$ 1,890,623 | \$ 1,102,557 |

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

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital Reserve | \$ 4,802,432 | \$ 4,995,086 | \$ 4,938,768 | \$ 5,860,728 | \$ 5,182,609 | \$ 4,657,173 | \$ 3,064,793 | \$ 3,361,643 | \$ 2,686,673 | \$ 2,277,373 |
| Emergency Reserve | - | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Maintenance Reserve | 908,782 | 962,782 | 651,782 | 965,782 | 965,782 | 965,782 | 865,782 | 978,607 | 1,013,607 | 443,607 |
| New Jersey Unemployment Fund | 176,599 | - | - | - | - | - | - | - | - | - |
| Student Activities | - | - | - | - | - | - | - | - | - | - |
| Excess Surplus | 2,075,000 | 2,250,000 | 1,600,000 | 1,100,000 | 975,000 | 825,000 | 720,000 | 720,000 | 1,576,195 | 519,616 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | - | - | - | - | - | 825,000 | - | - | - | - |
| Assigned to: | | | | | | | | | | |
| Other Purposes | 46,495 | 162,713 | - | - | - | - | - | - | - | - |
| Designated for Subsequent Year's Expenditures | - | - | - | - | - | - | - | - | - | - |
| Unassigned | (131,818) | (621,021) | (288,504) | (315,906) | (368,193) | (356,354) | (43,660) | (439,172) | (1,056,580) | 107,269 |
| Total General Fund | \$ 10,127,490 | \$ 9,599,560 | \$ 8,252,046 | \$ 8,835,604 | \$ 7,830,198 | \$ 7,061,601 | \$ 5,576,915 | \$ 5,501,671 | \$ 4,973,883 | \$ 4,018,833 |
| All Other Governmental Funds: | | | | | | | | | | |
| Assigned, Reported in: | | | | | | | | | | |
| Special Revenue Fund | \$ 8,419 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Service Fund | 7,855 | 19,365 | 193,862 | 46,242 | 99,829 | 39,779 | 17,762 | - | - | - |
| Capital Projects Fund | 343,369 | 392,422 | 392,422 | 623,006 | 627,711 | 2,987,248 | 6,845,151 | 115,069 | - | - |
| Total All Other Governmental Funds | \$ 359,643 | \$ 411,787 | \$ 586,284 | \$ 669,248 | \$ 727,540 | \$ 3,027,027 | \$ 6,862,913 | \$ 115,069 | \$ - | \$ - |

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Local Tax Levy | \$ 8,677,245 | \$ 8,594,216 | \$ 8,432,729 | \$ 8,474,755 | \$ 8,126,448 | \$ 7,835,278 | \$ 7,400,372 | \$ 7,350,372 | \$ 7,300,372 | \$ 7,157,227 |
| Tuition Changes | 285,998 | 544,287 | 377,752 | 204,659 | 243,834 | 141,226 | 162,954 | 314,831 | 272,924 | 86,665 |
| Transportation | 27,748 | - | - | - | - | - | - | - | - | - |
| Interest Earnings | 2,778 | 7,077 | 12,287 | 22,192 | 26,500 | 14,785 | 23,608 | 5,800 | 3,585 | 8,938 |
| Miscellaneous | 38,534 | 178,945 | 146,958 | 287,606 | 128,480 | 140,479 | 45,105 | 269,844 | 73,944 | 54,167 |
| State Sources | 15,701,691 | 14,922,537 | 13,679,403 | 12,835,977 | 16,192,481 | 18,438,953 | 13,580,626 | 11,648,440 | 11,862,388 | 10,719,825 |
| Federal Sources | 1,351,410 | 866,671 | 1,369,345 | 1,423,603 | 1,453,796 | 1,366,224 | 1,065,102 | 1,143,492 | 1,076,200 | 1,306,874 |
| Total Revenue | 26,085,404 | 25,113,733 | 24,018,474 | 23,248,792 | 26,171,539 | 27,936,945 | 22,277,767 | 20,732,779 | 20,589,413 | 19,333,696 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 6,259,213 | 6,262,749 | 5,663,494 | 5,809,949 | 5,682,083 | 5,559,807 | 5,387,538 | 5,487,411 | 5,213,542 | 5,214,002 |
| Special Education Instruction | 2,363,775 | 2,305,417 | 2,131,289 | 2,115,466 | 2,018,801 | 2,162,306 | 2,320,943 | 2,067,351 | 2,048,603 | 1,882,857 |
| Other Special Instruction | 463,449 | 469,999 | 519,880 | 449,465 | 467,110 | 506,400 | 439,399 | 447,418 | 450,180 | 426,607 |
| Support Services & Undistributed Costs: | | | | | | | | | | |
| Tuition | 1,238,013 | 1,259,226 | 1,359,788 | 1,273,307 | 1,233,689 | 890,496 | 844,523 | 870,391 | 1,365,089 | 1,644,007 |
| Student & Instruction Related Services | 2,989,103 | 2,469,242 | 2,313,927 | 2,030,323 | 2,087,780 | 1,989,139 | 1,963,948 | 1,958,042 | 1,878,373 | 1,693,995 |
| School Administrative Services | 747,588 | 734,271 | 728,340 | 702,518 | 690,529 | 721,377 | 693,063 | 687,619 | 590,906 | 665,447 |
| General Administrative Services | 1,070,052 | 1,000,929 | 976,444 | 916,241 | 885,747 | 806,547 | 788,842 | 769,153 | 790,659 | 723,272 |
| Plant Operations & Maintenance | 2,037,081 | 2,026,773 | 2,447,302 | 1,747,414 | 1,818,580 | 1,790,757 | 1,762,335 | 1,761,756 | 1,743,398 | 1,412,694 |
| Pupil Transportation | 373,672 | 316,473 | 431,478 | 400,482 | 422,531 | 376,631 | 339,534 | 325,450 | 317,491 | 302,699 |
| Unallocated Benefits | 6,756,105 | 5,730,316 | 5,778,390 | 5,400,043 | 5,135,710 | 4,974,852 | 4,478,534 | 4,262,067 | 4,148,816 | 3,908,934 |
| Interest & Other Charges | 193,526 | 201,167 | 212,644 | 326,400 | 241,582 | 322,898 | - | - | - | - |
| Capital Outlay | 1,009,801 | 989,154 | 2,160,946 | 875,070 | 6,832,049 | 10,194,167 | 3,236,240 | 1,737,435 | 1,087,306 | 195,546 |
| Debt Service: | | | | | | | | | | |
| Principal | 300,000 | 285,000 | 275,000 | 255,000 | 240,000 | - | - | - | - | - |
| Total Expenditures | 25,801,378 | 24,050,716 | 24,998,922 | 22,301,678 | 27,756,191 | 30,295,377 | 22,254,899 | 20,374,093 | 19,634,363 | 18,070,060 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | 284,026 | 1,063,017 | (980,448) | 947,114 | (1,584,652) | (2,358,432) | 22,868 | 358,686 | 95,505 | 1,263,636 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Capital Leases | - | 110,000 | 313,926 | - | - | - | - | 284,171 | - | - |
| Bond Proceeds | - | - | - | - | - | - | 6,800,220 | - | - | - |
| Transfers In/(Out) | - | - | - | - | 53,762 | 7,232 | - | - | - | - |
| Total Other Financing Sources/(Uses) | - | 110,000 | 313,926 | - | 53,762 | 7,232 | 6,800,220 | 284,171 | - | - |
| Net Change in Fund Balances | \$ 284,026 | \$ 1,173,017 | \$ (666,522) | \$ 947,114 | \$ (1,530,890) | \$ (2,351,200) | \$ 6,823,088 | \$ 642,857 | \$ 95,505 | \$ 1,263,636 |
| Debt Service as a Percentage of Noncapital Expenditures | 1.21% | 1.24% | 1.20% | 1.19% | 1.15% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: District records
 Note: Noncapital expenditures are total expenditures less capital outlay.

MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| FISCAL YEAR ENDING JUNE 30, | INTEREST ON INVESTMENTS | CAPITAL RESERVE INTEREST | TUITION | TRANSPORTATION | MISCELLANEOUS | TOTAL |
|-----------------------------------|-------------------------------|--------------------------------|------------|----------------|---------------|------------|
| 2021 | \$ 18,418 | \$ 2,000 | \$ 285,998 | \$ 27,748 | \$ 15,767 | \$ 349,931 |
| 2020 | 102,970 | - | 544,287 | - | 70,162 | 717,419 |
| 2019 | - | 12,287 | 377,752 | - | 125,898 | 515,937 |
| 2018 | - | 12,287 | 201,974 | - | 275,822 | 477,796 |
| 2017 | - | 22,192 | 243,834 | - | 120,591 | 366,875 |
| 2016 | - | 26,500 | 141,226 | - | 135,336 | 276,562 |
| 2015 | 3,846 | 14,785 | 162,954 | - | 32,791 | 205,437 |
| 2014 | 3,800 | 23,608 | 314,831 | - | 114,020 | 438,451 |
| 2013 | 1,585 | 5,800 | 272,924 | - | 44,559 | 322,653 |
| 2012 | 6,938 | 3,585 | 86,665 | - | 42,046 | 144,587 |

Source: District records

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

| FISCAL YEAR ENDED JUNE 30, | VACANT LAND | RESIDENTIAL REG. | FARM REG. | QFARM | COMMERCIAL INDUSTRIAL | APARTMENT | ASSESSED TAXABLE | TOTAL ASSESSED TAXABLE | (a) PUBLIC UTILITIES | NET VALUATION TAXABLE | TAX EXEMPT PROPERTY | (b) TOTAL DIRECT SCHOOL RATE | COUNTY EQUALIZED VALUE |
|----------------------------|--------------|------------------|-----------|----------|-----------------------|--------------|------------------|------------------------|----------------------|-----------------------|---------------------|------------------------------|------------------------|
| | | | | | | | | | | | | | |
| 2021 | \$10,003,700 | \$ 513,562,100 | N/A | \$ 7,100 | \$ 93,440,300 | \$ 7,831,800 | \$ 22,060,000 | \$646,905,000 | \$ 6,305,286 | \$653,210,286 | \$314,093,200 | 1.338 | \$675,855,045 |
| 2020 | 10,063,000 | 503,789,300 | N/A | 7,100 | 93,691,700 | 8,022,800 | 21,215,200 | 645,899,878 | 6,110,778 | 645,899,878 | 315,327,100 | 1.325 | 658,210,959 |
| 2019 | 11,234,300 | 503,795,500 | N/A | 7,100 | 93,878,300 | 8,022,800 | 20,242,100 | 637,180,100 | 6,002,524 | 643,182,624 | 310,697,500 | 1.315 | 626,691,338 |
| 2018 | 11,360,300 | 504,134,200 | N/A | 7,100 | 94,165,800 | 8,136,400 | 19,432,300 | 637,236,100 | 5,930,958 | 643,167,058 | 310,996,300 | 1.307 | 612,442,130 |
| 2017 | 11,546,600 | 505,288,700 | N/A | 7,100 | 94,484,700 | 8,136,400 | 19,432,300 | 638,895,800 | 5,875,968 | 644,771,768 | 311,370,800 | 1.279 | 604,526,993 |
| 2016 | 11,543,000 | 506,972,300 | N/A | 7,100 | 93,068,400 | 8,136,400 | 19,470,000 | 639,197,200 | 5,622,546 | 644,819,746 | 311,568,700 | 1.230 | 595,356,898 |
| 2015 | 11,853,500 | 508,003,300 | N/A | 7,100 | 93,835,500 | 8,136,400 | 19,445,000 | 641,280,800 | 5,439,973 | 646,720,773 | 296,032,400 | 1.167 | 595,346,901 |
| 2014 | 11,313,500 | 516,060,100 | N/A | 7,100 | 94,111,100 | 8,406,600 | 19,255,200 | 649,153,600 | 5,389,334 | 654,542,934 | 286,322,000 | 1.111 | 615,244,409 |
| 2013 | 11,457,000 | 515,910,300 | N/A | 7,100 | 93,711,000 | 8,406,600 | 20,180,500 | 649,672,500 | 7,547,722 | 657,220,222 | 287,734,300 | 1.092 | 633,441,106 |
| 2012 | 11,413,200 | 515,471,900 | N/A | 7,100 | 95,095,200 | 8,460,000 | 20,587,900 | 651,035,300 | 7,829,084 | 658,864,384 | 290,989,500 | 1.068 | 672,902,540 |

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

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

b Tax rates are per \$100

*Revaluation completed by the Township for 2012

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

| FISCAL YEAR ENDED JUNE 30, | SCHOOL DISTRICT DIRECT RATE | | | OVERLAPPING RATES | | | | TOTAL DIRECT AND OVERLAPPING TAX RATE |
|----------------------------|-----------------------------|---------------------------------|--------------|-------------------------|-----------------|---------------|-------------------|---------------------------------------|
| | BASIC RATE | GENERAL OBLIGATION DEBT SERVICE | TOTAL DIRECT | TOWNSHIP OF MOUNT HOLLY | REGIONAL SCHOOL | FIRE DISTRICT | BURLINGTON COUNTY | |
| 2021 | 1.338 | - | 1.338 | 0.837 | 0.427 | 0.177 | 0.353 | 3.008 |
| 2020 | 1.328 | - | 1.328 | 0.822 | 0.413 | 0.096 | 0.350 | 2.965 |
| 2019 | 1.315 | - | 1.315 | 0.822 | 0.369 | 0.097 | 0.328 | 2.931 |
| 2018 | 1.307 | - | 1.307 | 0.791 | 0.364 | 0.097 | 0.327 | 2.842 |
| 2017 | 1.279 | - | 1.279 | 0.746 | 0.361 | 0.096 | 0.314 | 2.796 |
| 2016 | 1.230 | - | 1.230 | 0.799 | 0.362 | 0.096 | 0.310 | 2.797 |
| 2015 | 1.130 | - | 1.130 | 0.718 | 0.349 | 0.091 | 0.306 | 2.594 |
| 2014 | 1.111 | - | 1.111 | 0.687 | 0.354 | 0.091 | 0.357 | 2.600 |
| 2013 | 1.092 | - | 1.092 | 0.638 | 0.372 | 0.090 | 0.366 | 2.558 |
| 2012 | 1.068 | - | 1.068 | 0.597 | 0.369 | 0.090 | 0.387 | 2.511 |

Source: Municipal Tax Collector

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

| TAXPAYER | 2021 | | |
|---------------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Levine Properties LLC | \$ 12,967,000 | 1 | 1.92% |
| Virtua Memorial Hospital | 12,663,100 | 2 | 1.87% |
| Mount Holly Associates | 10,576,100 | 3 | 1.56% |
| Verizon Property Tax Dept | 8,277,678 | 4 | 1.22% |
| Mount Holly Equities | 6,494,400 | 5 | 0.96% |
| Alaimo, Richard A | 4,179,300 | 6 | 0.62% |
| Amcor Flexibles, Inc. | 3,605,200 | 7 | 0.53% |
| Public Storage Inc | 2,349,700 | 8 | 0.35% |
| FRIA Properties, LLC | 2,054,500 | 9 | 0.30% |
| US Bank Trust | 1,915,600 | 10 | 0.28% |
| Total | <u>\$ 65,082,578</u> | | <u>9.63%</u> |

| TAXPAYER | 2012 | | |
|---------------------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Levine Properties, LLC | \$ 12,967,000 | 1 | 1.99% |
| Mount Holly Associates | 12,018,100 | 2 | 1.85% |
| Verizon Property Tax Department | 9,995,984 | 3 | 1.54% |
| Virtua Memorial Hospital | 7,170,200 | 4 | 1.10% |
| Mount Holly Equities | 6,365,800 | 5 | 0.98% |
| Richard A. Alaimo | 4,537,600 | 6 | 0.70% |
| Amcor Flexibles, Inc. | 3,605,200 | 7 | 0.55% |
| K&S 100, LLC | 3,609,500 | 8 | 0.40% |
| Baird, LLC % Marvin F. Poer | 2,528,100 | 9 | 0.39% |
| Public Storage Inc. | 2,349,700 | 10 | 0.36% |
| | <u>\$ 65,147,184</u> | | <u>9.86%</u> |

Source: Municipal Tax Assessor

**MOUNT HOLLY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | TAXES LEVIED FOR THE FISCAL YEAR | COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY | | COLLECTIONS IN SUBSEQUENT YEARS |
|-------------------------------------|---|---|-----------------------|--|
| | | AMOUNT | PERCENTAGE OF LEVY | |
| 2021 | \$ 8,677,245 | \$ 8,677,245 | 100.00% | - |
| 2020 | 8,594,216 | 8,594,216 | 100.00% | - |
| 2019 | 8,432,729 | 8,432,729 | 100.00% | - |
| 2018 | 8,474,755 | 8,474,755 | 100.00% | - |
| 2017 | 8,126,448 | 8,126,448 | 100.00% | - |
| 2016 | 7,835,278 | 7,835,278 | 100.00% | - |
| 2015 | 7,400,372 | 7,400,372 | 100.00% | - |
| 2014 | 7,350,372 | 7,350,372 | 100.00% | - |
| 2013 | 7,300,372 | 7,300,372 | 100.00% | - |
| 2012 | 7,157,227 | 7,157,227 | 100.00% | - |

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

**MOUNT HOLLY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | GOVERNMENTAL ACTIVITIES | | TOTAL DISTRICT | PERCENTAGE OF PERSONAL INCOME ^a | PER CAPITA ^b |
|-------------------------------------|--------------------------------|-------------------|-------------------|---|----------------------------|
| | GENERAL OBLIGATION BONDS | CAPITAL LEASES | | | |
| 2021 | \$ 5,584,000 | \$ 326,649 | \$ 5,910,649 | N/A | N/A |
| 2020 | 5,884,000 | 456,229 | 6,340,229 | N/A | N/A |
| 2019 | 6,169,000 | 452,366 | 6,621,366 | N/A | 694 |
| 2018 | 6,444,000 | 25,730 | 6,469,730 | 1.09% | 677 |
| 2017 | 6,699,000 | 85,928 | 6,784,928 | 1.19% | 707 |
| 2016 | 6,939,000 | 143,932 | 7,082,932 | 1.28% | 739 |
| 2015 | 6,939,000 | 199,818 | 7,138,818 | 1.33% | 747 |
| 2014 | - | 253,670 | 253,670 | 0.05% | 27 |
| 2013 | - | - | - | - | - |
| 2012 | - | - | - | - | - |

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

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

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

| FISCAL YEAR ENDED JUNE 30, | GENERAL BONDED DEBT OUTSTANDING | | | PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY | PER CAPITA ^b |
|-------------------------------------|---------------------------------|------------|---|---|-------------------------|
| | GENERAL OBLIGATION BONDS | DEDUCTIONS | NET GENERAL BONDED DEBT OUTSTANDING | | |
| 2021 | \$ 5,584,000 | \$ - | \$ 5,584,000 | 0.85% | N/A |
| 2020 | 5,884,000 | - | 5,884,000 | 0.91% | N/A |
| 2019 | 6,169,000 | - | 6,169,000 | 0.96% | 646 |
| 2018 | 6,444,000 | - | 6,444,000 | 1.00% | 674 |
| 2017 | 6,699,000 | - | 6,699,000 | 1.04% | 698 |
| 2016 | 6,939,000 | - | 6,939,000 | 1.08% | 724 |
| 2015 | 6,939,000 | - | 6,939,000 | 1.08% | 727 |
| 2014 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2012 | - | - | - | - | - |

- a. See Exhibit J-6 for property tax data.
b. Population data can be found on Exhibit J-14

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE ^a | SHARE OF OVERLAPPING DEBT |
|---|---------------------|--|---------------------------------|
| Debt Repaid With Property Taxes: | | | |
| Township of Mount Holly | \$ 16,528,811 | 100.000% | \$ 16,528,811 |
| Rancocas Valley Regional High School | 30,050,000 | 13.879% | 4,170,605 |
| Burlington County General Obligation Debt | 221,311,009 | 1.298% | 2,872,605 |
| Subtotal, Overlapping Debt Mount Holly School District | | | 23,572,020 5,584,000 |
| Total Direct & Overlapping Debt | | | \$ 29,156,020 |

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

- a. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**MOUNT HOLLY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | FISCAL YEAR | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Debt Limit | \$ 22,431,371 | \$ 18,436,605 | \$ 18,379,785 | \$ 18,024,787 | \$ 19,417,430 | \$ 19,514,362 | \$ 19,581,640 | \$ 19,268,751 | \$ 19,258,106 | \$ 19,299,240 |
| Total Net Debt Applicable to Limit | 5,584,000 | 5,884,000 | 6,169,000 | 644,000 | 6,699,000 | 6,939,000 | 6,939,000 | - | - | - |
| Legal Debt Margin | \$ 16,847,371 | \$ 12,552,605 | \$ 12,210,785 | \$ 17,380,787 | \$ 12,718,430 | \$ 12,575,362 | \$ 12,642,640 | \$ 19,268,751 | \$ 19,258,106 | \$ 19,299,240 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 24.89% | 31.91% | 33.56% | 3.57% | 34.50% | 35.56% | 35.44% | - | - | - |

Legal Debt Margin Calculation for Fiscal Year 2020

| | Equalized Valuation Basis |
|--|---------------------------|
| 2020 | \$ 662,978,437 |
| 2019 | 644,201,901 |
| 2018 | 615,508,645 |
| | <u>\$ 1,922,688,983</u> |
| Average Equalized Valuation of Taxable Property | <u>\$ 640,896,328</u> |
| Debt Limit (3.5% of Average Equalization Value) | \$ 19,226,890 |
| Net Bonded School Debt | <u>5,584,000</u> |
| Legal Debt Margin | <u>\$ 13,642,890</u> |

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

**MOUNT HOLLY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| YEAR | POPULATION ^a | PERSONAL INCOME ^b | PER CAPITA PERSONAL INCOME ^c | UNEMPLOYMENT RATE ^d |
|------|-------------------------|------------------------------|---|--------------------------------|
| 2021 | 9,981 | N/A | N/A | 5.0% |
| 2020 | 9,547 | N/A | N/A | 4.7% |
| 2019 | 9,560 | 593,867,200 | 62,120 | 5.5% |
| 2018 | 9,595 | 569,837,455 | 59,389 | 4.2% |
| 2017 | 9,579 | 553,685,358 | 57,802 | 4.5% |
| 2016 | 9,551 | 537,358,362 | 56,262 | 7.0% |
| 2015 | 9,503 | 510,881,280 | 53,760 | 8.5% |
| 2014 | 9,361 | 483,233,542 | 51,622 | 10.8% |
| 2013 | 9,394 | 480,099,158 | 51,107 | 14.3% |
| 2012 | 9,500 | 475,152,000 | 50,016 | 13.8% |

Source:

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

b Personal income calculated using population and per capita personal income

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

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

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

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

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

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction: | | | | | | | | | | |
| Regular | 51 | 49 | 47 | 49 | 52 | 54 | 55 | 69 | 66 | 72 |
| Special Education | 21 | 20 | 15 | 15 | 13 | 16 | 20 | 28 | 30 | 27 |
| Other Special Education | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 16 | 15 | 14 |
| Other Instruction | 20 | 21 | 19 | 18 | 17 | 15 | 11 | 11 | 11 | 9 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 17 | 16 | 17 | 13 | 14 | 13 | 9 | 9 | 8 | 8 |
| School Administrative Services | 16 | 12 | 13 | 14 | 13 | 14 | 14 | 13 | 13 | 10 |
| General & Business Administrative Services | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Plant Operations & Maintenance | 13 | 14 | 14 | 13 | 12 | 16 | 13 | 16 | 15 | 14 |
| Total | 154 | 148 | 141 | 139 | 138 | 145 | 139 | 168 | 164 | 160 |

Source: District Personnel Records

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

| FISCAL YEAR | ENROLLMENT | OPERATING EXPENDITURES ^a | COST PER PUPIL | PERCENTAGE CHANGE | TEACHING STAFF ^b | PUPIL/TEACHER RATIO | | AVERAGE DAILY ENROLLMENT (ADE) ^c | AVERAGE DAILY ATTENDANCE (ADA) ^c | % CHANGE IN AVERAGE DAILY ENROLLMENT | STUDENT ATTENDANCE PERCENTAGE |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | ELEMENTARY | MIDDLE SCHOOL | | | | |
| 2021 | 1,010 | \$ 20,512,118 | \$ 20,309 | -7.34% | 102 | 1-8.91 | 1-11.1 | 1,036 | 986 | -4.70% | 95.17% |
| 2020 | 1,078 | 23,061,562 | 21,393 | 3.34% | 100 | 1-12.0 | 1-8.7 | 1,086 | 1,050 | 2.13% | 96.69% |
| 2019 | 1,042 | 22,837,976 | 21,917 | 4.43% | 91 | 1-12.6 | 1-10.2 | 1,064 | 1,010 | 2.91% | 94.92% |
| 2018 | 1,035 | 21,426,608 | 20,702 | 1.65% | 93 | 1-11.2 | 1-11.0 | 1,035 | 983 | 3.86% | 94.98% |
| 2017 | 997 | 20,924,142 | 20,987 | 10.79% | 93 | 1-11.3 | 1-9.8 | 997 | 942 | 1.30% | 94.48% |
| 2016 | 1,004 | 20,101,210 | 20,366 | 11.47% | 98 | 1-10.4 | 1-10.6 | 984 | 934 | -1.29% | 94.92% |
| 2015 | 1,020 | 19,018,659 | 18,943 | 6.22% | 97 | 1-10.7 | 1-8.8 | 997 | 921 | -0.86% | 92.38% |
| 2014 | 1,040 | 18,636,658 | 18,271 | 2.45% | 93 | 1-10.8 | 1-10.0 | 1,006 | 949 | -4.19% | 94.33% |
| 2013 | 981 | 18,547,057 | 17,834 | -2.12% | 103 | 1-10.2 | 1-9.9 | 1,047 | 977 | 7.00% | 93.31% |
| 2012 | 993 | 17,874,514 | 18,221 | -5.26% | 102 | 1-10.2 | 1-8.7 | 978 | 926 | -0.79% | 94.68% |

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MOUNT HOLLY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

| DISTRICT BUILDINGS | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Elementary Schools: | | | | | | | | | | |
| Brainerd Elementary: | | | | | | | | | | |
| Square Feet | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 | 37,123 |
| Capacity (Students) | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 |
| Enrollment | 276 | 342 | 403 | 374 | 371 | 349 | 354 | 388 | 390 | 407 |
| Folwell Elementary (1950): | | | | | | | | | | |
| Square Feet | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 | 50,435 |
| Capacity (Students) | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Enrollment | 324 | 312 | 321 | 309 | 314 | 325 | 351 | 315 | 328 | 267 |
| Holbein Elementary (1964): | | | | | | | | | | |
| Square Feet | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 | 90,673 |
| Capacity (Students) | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 |
| Enrollment | 410 | 424 | 340 | 352 | 312 | 310 | 272 | 317 | 322 | 318 |
| Other: | | | | | | | | | | |
| Central Administration: | | | | | | | | | | |
| Square Feet | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |

Number of Schools at June 30, 2021:

Elementary = 2

Middle School = 1

Senior High School = 0

Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

| * SCHOOL FACILITIES | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| John Brainerd School | \$ 69,949 | \$ 35,694 | \$ 136,723 | \$ 41,699 | \$ 42,099 | \$ 24,565 | \$ 48,390 | \$ 30,115 | \$ 28,231 | \$ 8,281 |
| Gertrude Folwell School | 58,551 | 61,772 | 181,044 | 36,039 | 33,639 | 34,063 | 75,722 | 56,359 | 46,045 | 20,707 |
| F.W. Holbein Schools | 78,321 | 84,118 | 254,438 | 44,020 | 51,608 | 60,880 | 62,437 | 63,460 | 47,284 | 89,308 |
| Total School Facilities | \$ 206,822 | \$ 181,584 | \$ 572,205 | \$ 121,758 | \$ 127,346 | \$ 119,508 | \$ 186,549 | \$ 149,934 | \$ 121,560 | \$ 118,296 |

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

Source: District records

**MOUNT HOLLY SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

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

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

Source: District records.

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Holly School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
February 2, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Mount Holly School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
February 2, 2022

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**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE | FEDERAL AWARD IDENTIFICATION NUMBER | ASSISTANCE LISTING NUMBER | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2020 | CASH RECEIVED | BUDGETARY EXPENDITURES | SUB RECIPIENT EXPENDITURES | BALANCE AT JUNE 30, 2021 (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE |
|---|---|---------------------------------|--|-----------------|-----------------|-----------------------------------|------------------|---------------------------|-------------------------------|--|---------------------|
| U.S. Department of Agriculture | | | | | | | | | | | |
| Pass Through New Jersey Department of Agriculture: | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | |
| COVID-19 Food Distribution Program (Noncash Assistance) | 21NJ204N1099 | 10.555 | Unavailable | \$ 18,798 | 7/1/20-6/30/21 | \$ - | \$ 18,798 | \$ (8,921) | \$ - | \$ - | \$ 9,877 |
| COVID-19 Food Distribution Program (Noncash Assistance) | 20NJ304N1099 | 10.555 | Unavailable | 41,494 | 7/1/19-6/30/20 | 10,397 | - | (10,397) | - | - | - |
| COVID-19 National School Lunch Program | 21NJ304N1099 | 10.555 | 100-010-3350-026 | 128,898 | 7/1/20-6/30/21 | (6,400) | 118,630 | (128,898) | - | (10,268) | - |
| COVID-19 National School Lunch Program | 20NJ304N1099 | 10.555 | 100-010-3350-026 | 29,862 | 3/13/20-6/30/20 | (6,400) | 6,400 | - | - | - | - |
| COVID-19 Healthy Hungry Kids Act | 21NJ304N1099 | 10.555 | 100-010-3350-026 | 2,556 | 7/1/20-6/30/21 | (130) | 2,352 | (2,556) | - | (204) | - |
| COVID-19 Healthy Hungry Kids Act | 20NJ304N1099 | 10.555 | 100-010-3350-026 | 609 | 3/13/20-6/30/20 | (130) | 130 | - | - | - | - |
| COVID-19 After School Snack Program | 21NJ304N1099 | 10.555 | 100-010-3350-026 | 1,081 | 7/1/20-6/30/21 | 3,867 | 147,138 | (151,853) | - | (10,725) | 9,877 |
| Subtotal | | | | 43,460 | 7/1/20-6/30/21 | (4,106) | 42,140 | (43,460) | - | (1,320) | - |
| COVID-19 National Breakfast Program | 20NJ304N1099 | 10.553 | 100-010-3350-028 | 19,153 | 3/13/20-6/30/20 | (4,106) | 4,106 | - | - | - | - |
| Subtotal | | | | 19,153 | 3/13/20-6/30/20 | (4,106) | 4,106 | (43,460) | - | (1,320) | - |
| Total Child Nutrition Cluster | | | | (239) | | (239) | 193,384 | (195,313) | - | (12,045) | 9,877 |
| Total U.S. Department of Agriculture | | | | (239) | | (239) | 193,384 | (195,313) | - | (12,045) | 9,877 |
| U.S. Department of the Treasury | | | | | | | | | | | |
| Corona Virus Relief Fund | | | | | | | | | | | |
| School Re-Opening and Remote Learning | SLT0007 | 21.019 | 100-054-7540-211 | 98,172 | 3/13/20-9/30/22 | - | 98,172 | (98,172) | - | - | - |
| Non-Public Technology Initiative | S337A130031 | 21.019 | 100-054-7540-211 | 5,525 | 3/1/20-12/31/21 | - | 5,525 | (5,525) | - | - | - |
| Subtotal | | | | 103,697 | | - | 103,697 | (103,697) | - | - | - |
| Total U.S. Department of the Treasury | | | | 103,697 | | - | 103,697 | (103,697) | - | - | - |
| U.S. Department of Education | | | | | | | | | | | |
| Passed Through New Jersey Department of Education: | | | | | | | | | | | |
| Title I - Part A - Current Year | | | | | | | | | | | |
| Title I - Part A - Prior Year | S010A200030 | 84.010 | 100-034-5064-194 | 464,353 | 7/1/20-9/30/21 | - | 344,138 | (415,335) | - | (71,197) | - |
| Subtotal | S010A190030 | 84.010 | 100-034-5064-194 | 480,204 | 7/1/19-9/30/20 | (10,686) | 10,686 | - | - | - | - |
| Title II - Part A - Current Year | S367A200029 | 84.367A | 100-034-5063-290 | 50,831 | 7/1/20-9/30/21 | - | 49,485 | (50,533) | - | (1,048) | - |
| Title II - Part A - Prior Year | S367A190029 | 84.367A | 100-034-5063-290 | 45,767 | 7/1/19-9/30/20 | 7,245 | - | (7,245) | - | - | - |
| Subtotal | | | | 32,337 | | 7,245 | 49,485 | (57,778) | - | (1,048) | - |
| Title III - Prior Year | S365A190009 | 84.365 | 100-034-5064-187 | 32,337 | 7/1/19-9/30/20 | (8,588) | 7,322 | (6,421) | - | (7,687) | - |
| Subtotal | | | | 32,165 | | (8,588) | 7,322 | (6,421) | - | (7,687) | - |
| Title IV - Part A - Current Year | S424A200031 | 84.424 | 100-034-5069-031 | 32,165 | 7/1/20-9/30/21 | - | 31,257 | (31,257) | - | - | - |
| Subtotal | | | | 350,198 | | - | 31,257 | (31,257) | - | - | - |
| COVID-19 CARES Emergency Relief Grant | S425D200027 | 84.425D | 100-034-5120-513 | 350,198 | 3/13/20-6/30/21 | - | 254,838 | (286,095) | - | (31,257) | - |
| Subtotal | | | | 350,198 | | - | 254,838 | (286,095) | - | (31,257) | - |
| ID.E.A. Part B (Special Education Cluster) | H027A200100 | 84.027 | 100-034-5065-016 | 410,984 | 7/1/20-9/30/21 | - | 400,698 | (404,667) | - | (3,969) | - |
| Basic- Current Year | H027A190100 | 84.027 | 100-034-5065-016 | 415,527 | 7/1/19-9/30/20 | (4,142) | 4,142 | - | - | - | - |
| Subtotal | | | | 11,494 | | (4,142) | 404,840 | (404,667) | - | (3,969) | - |
| Preschool - Current Year | H173A200114 | 84.173 | 100-034-5065-020 | 11,494 | 7/1/20-9/30/21 | - | 11,494 | (11,494) | - | - | - |
| Total Special Education Cluster | | | | 416,334 | | (4,142) | 416,334 | (416,161) | - | (3,969) | - |
| Total Department of Education | | | | 1,114,060 | | (16,171) | 1,114,060 | (1,213,047) | - | (115,158) | - |
| U.S. Department of Health and Human Services | | | | | | | | | | | |
| Passed Through New Jersey Department of Human Services: | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | | | | | | | | | | | |
| 2105NJSMAP | | 93.778 | 100-054-7540-211 | 34,666 | 7/1/20-6/30/21 | - | 34,666 | (34,666) | - | - | - |
| Subtotal | | | | 34,666 | | - | 34,666 | (34,666) | - | - | - |
| Total U.S. Department of Health and Human Services | | | | 1,445,807 | | (16,171) | 1,445,807 | (1,546,723) | - | (127,203) | 9,877 |
| Total U.S. Department of Education | | | | 1,445,807 | | (16,410) | 1,445,807 | (1,546,723) | - | (127,203) | 9,877 |
| Total Federal Financial Assistance | | | | 1,445,807 | | (16,410) | 1,445,807 | (1,546,723) | - | (127,203) | 9,877 |

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

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| STATE GRANTOR/ PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2020 | CASH RECEIVED | BUDGETARY EXPENDITURES | SUB RECIPIENT EXPENDITURES | ADJUSTMENT | REPAYMENT OF PRIOR YEARS' BALANCES | BALANCE AT JUNE 30, 2021 | | | MEMO COMULATIVE TOTAL EXPENDITURES | |
|---|--|-----------------|-----------------|-----------------------------------|------------------|---------------------------|-------------------------------|------------|---|--------------------------|---------------------|-------------------|---|-----------------|
| | | | | | | | | | | (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE | DUE TO GRANTOR | | |
| State Department of Education: | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Equalization Aid | 495-034-5120-078 | \$8,474,739 | 7/1/20-6/30/21 | - | \$ 8,474,739 | \$ (8,474,739) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 766,176 | \$ 8,474,739 |
| Adjustment Aid | 495-034-5120-085 | 1,025,803 | 7/1/20-6/30/21 | - | 1,025,803 | (1,025,803) | - | - | - | - | - | - | 92,740 | 1,025,803 |
| Categorical Security Aid | 495-034-5120-084 | 337,977 | 7/1/20-6/30/21 | - | 337,977 | (337,977) | - | - | - | - | - | - | 30,555 | 337,977 |
| Categorical Special Education Aid | 495-034-5120-089 | 755,237 | 7/1/20-6/30/21 | - | 755,237 | (755,237) | - | - | - | - | - | - | 68,279 | 755,237 |
| Total State Aid Public | | 10,593,756 | | - | 10,593,756 | (10,593,756) | - | - | - | - | - | - | 957,750 | 10,593,756 |
| Categorical Transportation Aid | 495-034-5120-014 | 127,355 | 7/1/20-6/30/21 | - | 127,355 | (127,355) | - | - | - | - | - | - | 11,514 | 127,355 |
| Reimbursement of Nonpublic Transportation | 20-103190 | 6,380 | 7/1/20-6/30/21 | - | - | (6,380) | - | - | - | - | (6,380) | - | - | 6,380 |
| Extraordinary Aid | 495-034-5120-044 | 179,120 | 7/1/20-6/30/21 | - | - | (179,120) | - | - | - | - | (179,120) | - | - | 179,120 |
| Homeless Tuition Aid | 495-034-5120-044 | 78,252 | 7/1/20-6/30/21 | (78,252) | 78,252 | - | - | - | - | - | - | - | - | - |
| Reimbursed TPAF Social Security Contributions (Nonbudgeted) | 495-034-5120-005 | 79,562 | 7/1/20-6/30/21 | - | - | (79,562) | - | - | - | - | (79,562) | - | - | 79,562 |
| Reimbursed TPAF Social Security Contributions (Nonbudgeted) | 100-034-5094-003 | 652,773 | 7/1/20-6/30/21 | - | 652,773 | (652,773) | - | - | - | - | - | - | - | 652,773 |
| Nonresch Assistance: | 100-034-5094-003 | 625,135 | 7/1/19-6/30/20 | (30,573) | 30,573 | - | - | - | - | - | - | - | - | - |
| On-Behalf Post Retirement Long Term Disability Insurance Contributions | 495-034-5094-004 | 1,945 | 7/1/20-6/30/21 | - | 1,945 | (1,945) | - | - | - | - | - | - | - | 1,945 |
| On-Behalf Post Retirement Pension Contributions | 495-034-5094-002 | 2,354,030 | 7/1/20-6/30/21 | - | 2,354,030 | (2,354,030) | - | - | - | - | - | - | - | 2,354,030 |
| On-Behalf Post Retirement Medical Contributions | 495-034-5094-001 | 737,716 | 7/1/20-6/30/21 | - | 737,716 | (737,716) | - | - | - | - | - | - | - | 737,716 |
| Total General Fund | | 14,576,400 | | (108,825) | 14,576,400 | (14,732,637) | - | - | - | (265,062) | - | - | 969,264 | 14,732,637 |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | |
| Textbook Aid | 100-034-5120-064 | 7,758 | 7/1/20-6/30/21 | - | 7,758 | (6,179) | - | - | - | - | - | 1,579 | - | 6,179 |
| Nursing Aid | 100-034-5120-064 | 7,969 | 7/1/19-6/30/20 | 50 | - | - | - | - | (50) | - | - | - | - | - |
| Technology Aid | 100-034-5120-070 | 12,954 | 7/1/20-6/30/21 | 1,227 | 12,954 | (12,954) | - | - | - | - | - | - | - | 12,954 |
| Security Aid | 100-034-5120-373 | 5,256 | 7/1/19-6/30/20 | 1,227 | - | - | - | - | (1,227) | - | - | 22,225 | - | - |
| Security Aid | 100-034-5120-509 | 21,900 | 7/1/20-6/30/21 | 17,301 | - | - | - | 529 | (17,301) | - | - | - | - | - |
| Auxiliary Services: | | | | | | | | | | | | | | |
| Compensatory Education | 100-034-5120-067 | 33,965 | 7/1/20-6/30/21 | - | 33,965 | (31,265) | - | - | - | - | - | 2,700 | - | 31,265 |
| Compensatory Education | 100-034-5120-067 | 29,609 | 7/1/19-6/30/20 | 8,196 | - | - | - | - | (8,196) | - | - | - | - | - |
| Handicapped Services: | | | | | | | | | | | | | | |
| Examination & Classification | 100-034-5120-066 | 9,295 | 7/1/20-6/30/21 | - | 9,295 | (8,717) | - | - | - | - | - | 578 | - | 8,717 |
| Examination & Classification | 100-034-5120-067 | 14,493 | 7/1/19-6/30/20 | 6,878 | - | - | - | - | (6,878) | - | - | - | - | - |
| Corrective Speech | 100-034-5120-067 | 3,098 | 7/1/20-6/30/21 | - | 3,098 | (2,195) | - | - | - | - | - | 903 | - | 2,195 |
| Corrective Speech | 100-034-5120-067 | 4,557 | 7/1/19-6/30/20 | 1,823 | - | - | - | - | (1,823) | - | - | - | - | - |
| Preschool Education Expansion Aid | 495-034-5120-086 | 557,800 | 7/1/18-6/30/19 | 40,438 | - | (40,438) | - | - | - | - | - | - | - | 40,438 |
| Preschool Education Aid | 100-034-5120-024 | 1,136,771 | 7/1/19-6/30/19 | 228,516 | - | (228,516) | - | - | - | - | - | - | - | 228,516 |
| Preschool Education Aid | 100-034-5120-025 | 1,172,580 | 7/1/20-6/30/21 | - | 1,172,580 | (656,573) | - | - | - | - | - | 516,007 | 106,009 | 656,573 |
| Total Special Revenue Fund | | 1,261,875 | | 304,429 | 1,261,875 | (986,837) | - | 529 | (35,475) | - | 28,514 | - | 106,009 | 986,837 |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | 100-010-3360-067 | 6,526 | 7/1/20-6/30/21 | - | 5,784 | (6,526) | - | - | - | (742) | - | - | - | 6,526 |
| State School Lunch Program | 100-010-3360-067 | 6,301 | 7/1/19-6/30/20 | (1,679) | 1,679 | - | - | - | - | - | - | - | - | - |
| Total Enterprise Fund | | 7,463 | | (1,679) | 7,463 | (6,526) | - | - | - | (742) | - | - | - | 6,526 |
| Total State Financial Assistance | | \$ 15,845,738 | | \$ 193,925 | \$ 15,845,738 | \$ (15,726,000) | \$ - | \$ 529 | \$ (35,475) | \$ (265,804) | \$ 516,007 | \$ 28,514 | \$ 1,075,273 | \$ 15,726,000 |
| State Financial Assistance Programs not subject to Calculation for Major Program Determination: | | | | | | | | | | | | | | |
| On-Behalf Post Retirement Long Term Disability Insurance Contributions | 495-034-5094-004 | 1,945 | 7/1/20-6/30/21 | - | - | - | 1,945 | - | - | - | - | - | - | - |
| On-Behalf Post Retirement Pension Contributions | 495-034-5094-002 | 2,354,030 | 7/1/20-6/30/21 | - | - | - | 2,354,030 | - | - | - | - | - | - | - |
| On-Behalf Post Retirement Medical Contributions | 495-034-5094-001 | 737,716 | 7/1/20-6/30/21 | - | - | - | 737,716 | - | - | - | - | - | - | - |
| Total State Financial Assistance subject to Calculation for Major Program Determination | | | | | | | | | | | | | | \$ (12,632,309) |

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

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(22,570) for the general fund and \$4,787 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-------------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 34,666 | \$ 14,710,067 | \$ 14,744,733 |
| Special Revenue Fund | 1,316,744 | 991,624 | 2,308,368 |
| Food Service Fund | <u>195,313</u> | <u>6,526</u> | <u>201,839</u> |
| Total Awards & Financial Assistance | <u>\$ 1,546,723</u> | <u>\$ 15,708,217</u> | <u>\$ 17,254,940</u> |

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Mount Holly School District had no loan balances outstanding at June 30, 2021.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

| | | |
|---|-------------------|----------------------------|
| Type of auditor's report issued | <u>Unmodified</u> | |
| Internal control over financial reporting: | | |
| 1) Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Awards

| | | |
|--|-------------------|----------------------------|
| Internal control over major programs: | | |
| 1) Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| Type of auditor's report issued on compliance for major programs | <u>Unmodified</u> | |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? | <u> </u> yes | <u> X </u> no |

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>FAIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|------------------------------|---|
| <u>84.425D</u> | <u>S425S200027</u> | <u>COVID-19 Elementary and Secondary School Emergency Relief Fund</u> |
| <u>84.027</u> | <u>H027A200100</u> | <u>Special Education Cluster:</u> |
| <u>84.173</u> | <u>H173A200114</u> | <u>I.D.E.A. Part B</u> |
| <u> </u> | <u> </u> | <u>I.D.E.A. Preschool</u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |

| | |
|--|------------------|
| Dollar threshold used to determine Type A programs | <u>\$750,000</u> |
|--|------------------|

| | | |
|--|------------------|------------------|
| Auditee qualified as low-risk auditee? | <u> X </u> yes | <u> </u> no |
|--|------------------|------------------|

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

| | | |
|--|-------------------|------------------|
| Dollar threshold used to determine Type A programs | \$750,000 | |
| Auditee qualified as low-risk auditee? | <u> X </u> yes | <u> </u> no |
| Internal control over major programs: | | |
| 1) Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> no |
| Type of auditor's report issued on compliance for major programs | <u>Unmodified</u> | |
| Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08? | <u> </u> yes | <u> X </u> no |

Identification of major programs:

| <u>State Grant/Project Number(s)</u> | <u>Name of State Program</u> |
|---|-------------------------------------|
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-085 | Adjustment Aid |
| 495-034-5120-084 | Categorical Security Aid |
| 495-034-5120-089 | Categorical Special Education Aid |

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – N/A

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

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

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

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A