

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by

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

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OUTLINE OF ACFR

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INTRODUCTORY SECTION

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331 Levis Drive
Mount Holly, NJ 08060

School Business Administrator
Board Secretary

February 13, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Mount Holly School District for the fiscal year ended June 30, 2022, 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, 2022, 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 Annual Comprehensive 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.

Fiscal Year	Student Enrollment	Percent Change
2021-2022	1,040	2.97%
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	-1.70%

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:

- 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

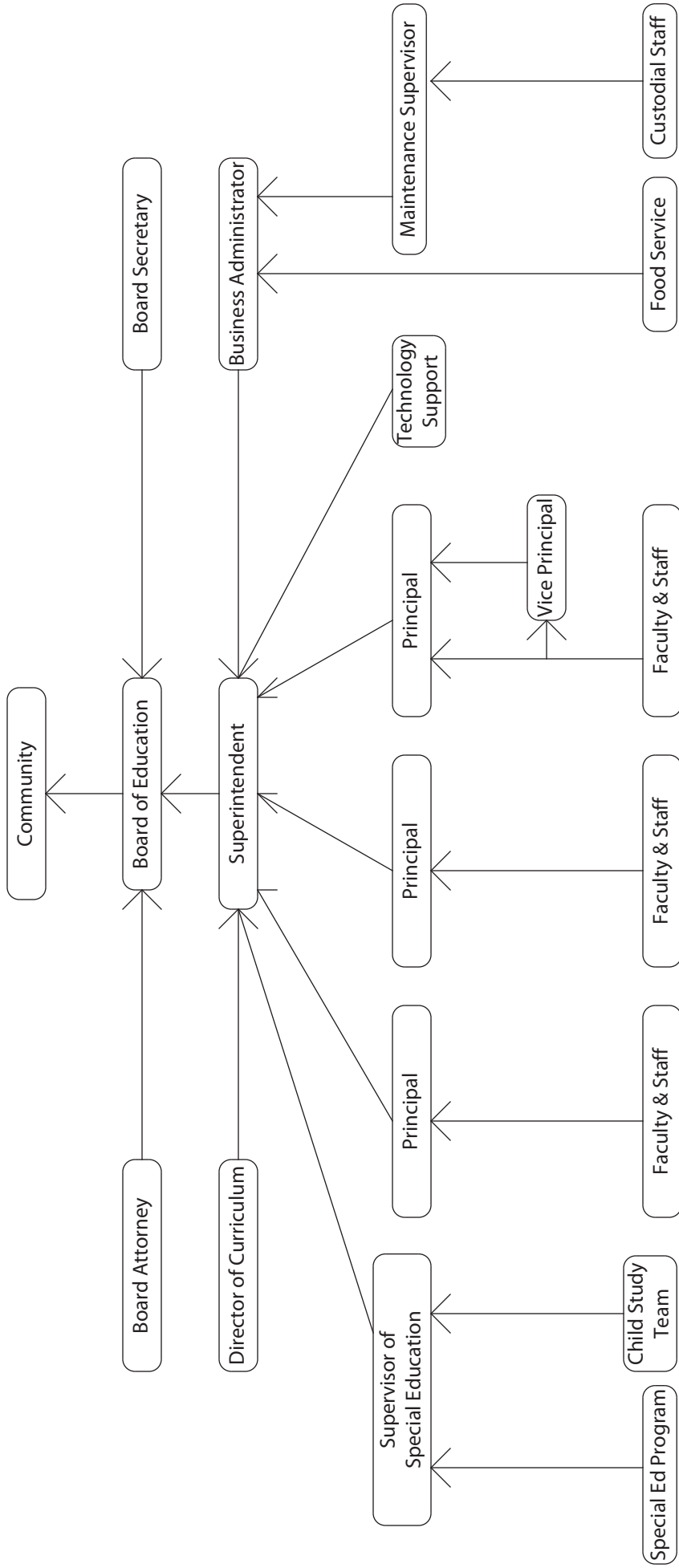


Evon DiGangi,
Business Administrator/Board Secretary

MOUNT HOLLY SCHOOL DISTRICT

Organizational Chart

(Unit Control)



MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2022

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Janet DiFolco, President	2024
Jennifer Mushinsky, Vice President	2022
William Monk	2022
Janene Ciotti	2024
Briana Banks	2023

OTHER OFFICIALS

Robert Mungo, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Cameron R. Morgan Esq., Solicitor

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

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

OFFICIAL DEPOSITORY

Investors Bank
Iselin, NJ

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 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 13, 2023

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, 2022
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, 2022. 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 (2021-22) and the prior year (2020-21) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ⇒ Total assets and deferred outflows of resources increased by \$432,159 as cash and cash equivalents decreased by \$119,456, receivables increased by \$356,838, net capital assets increased by \$328,855 and Deferred Outflows Related to Pensions decreased by \$134,078.
- ⇒ General Fund revenues accounted for \$25,429,352 in revenue, or 87 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$3,462,221 or 12 percent of all revenues. Capital projects in the form of State grants and interest, accounted for \$368 or less than 1 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$258,247 or 1 percent of all revenues. Total revenues were \$29,150,188.
- ⇒ The School District's governmental funds had a combined \$29,393,900 in total expenditures; \$12,680,788 of which represents salaries for the district or approximately 43% of expenditures for the fiscal year ending June 30, 2021.
- ⇒ The Food Service Enterprise Fund had an increase in net position of \$204,533 in 2022 compared to an increase of \$61,744 in 2021.
- ⇒ The total Fund Balance per Governmental funds was \$10,399,018. The School District expended \$1,600,000 out of capital reserve and added \$1,681,914 to capital reserve.

Using this Annual Comprehensive Financial Report (ACFR)

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, 2022
UNAUDITED (Continued)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did we do financially during 2022?" 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, 2022
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 2022 and 2021.

The District's combined net position was \$29,876,709 on June 30, 2022. This was an increase of 4.49% from the prior year.

	TABLE I - NET POSITION			
	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
ASSETS				
Current Assets	\$ 11,478,337	\$ 11,240,955	\$ 332,634	\$ 119,819
Capital Assets, Net	29,281,352	28,952,497	117,787	131,148
Total Assets	40,759,689	40,193,452	450,421	250,967
Deferred Outflows of Resources	454,243	588,321	-	-
Total Assets and Deferred Outflows of Resources	\$ 41,213,932	\$ 40,781,773	\$ 450,421	\$ 250,967
LIABILITIES				
Current Liabilities	\$ 1,433,663	\$ 1,068,491	\$ 11,787	\$ 16,866
Noncurrent Liabilities	8,690,895	9,697,617	-	-
Total Liabilities	10,124,558	10,766,108	11,787	16,866
Deferred Inflows of Resources	1,651,299	1,657,295	-	-
Total Liabilities and Deferred Inflows of Resources	11,775,857	12,423,403	11,787	16,866
NET POSITION				
Net Investment in Capital Assets	23,555,781	23,041,848	117,787	131,148
Restricted	10,202,772	10,572,456	-	-
Unrestricted	(4,320,478)	(5,255,934)	320,847	102,953
Total Net Position	\$ 29,438,075	\$ 28,358,370	\$ 438,634	\$ 234,101

Table 2 shows changes in net position for fiscal year 2022 and 2021.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (Continued)**

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 11,818	\$ 5,742
Operating Grants & Contributions	7,650,226	8,650,296	803,413	201,839
General Revenues				
Property Taxes	8,811,610	8,677,245	-	-
Grants & Entitlements	11,757,354	10,998,269	-	-
Other	309,964	128,180	252	108,583
Total Revenues	28,529,154	28,453,990	815,483	316,164
Expenses:				
Instruction	10,608,304	9,086,437	-	-
Tuition	939,745	1,238,013	-	-
Related Services	3,434,171	2,989,103	-	-
General & School Administrator	1,261,476	1,248,865	-	-
Central Services	598,534	568,775	-	-
Operations & Maintenance	2,250,471	1,907,501	-	-
Transportation	334,703	373,672	-	-
Employee Benefits	6,847,750	9,103,670	-	-
Food Service	-	-	610,950	254,420
Other	1,174,295	1,114,672	-	-
Total Expenses	27,449,449	27,630,708	610,950	254,420
Increase in Net Position before Transfers	1,079,705	823,282	204,533	61,744
Changes in Net Position	1,079,705	823,282	204,533	61,744
Net Position- July 1	28,358,370	27,535,088	234,101	172,357
Net Position- June 30	\$ 29,438,075	\$ 28,358,370	\$ 438,634	\$ 234,101

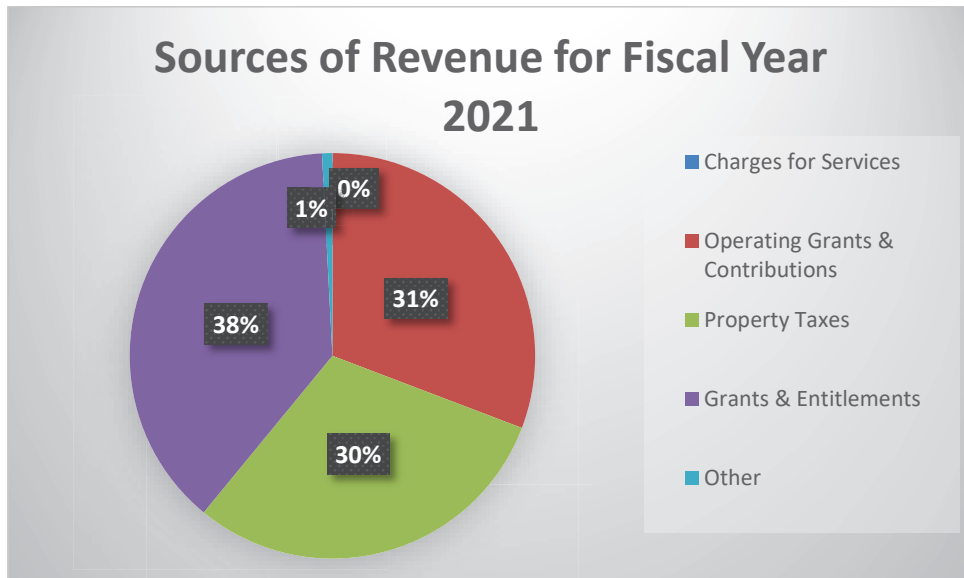
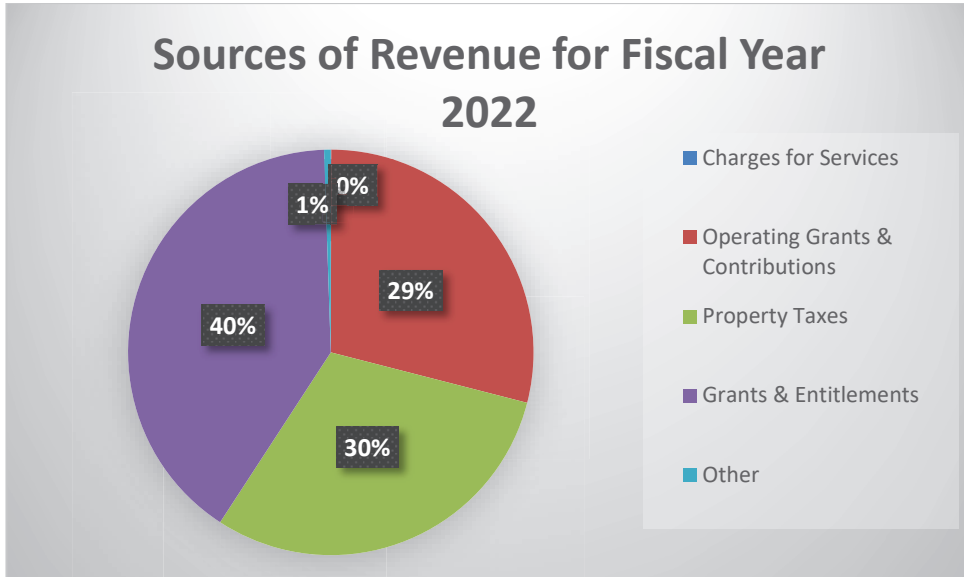
Governmental Activities

Property taxes made up 31% of revenues for fiscal year 2022 and 30% for fiscal year 2021. The District's total revenue for governmental activities was \$28,373,751 for the year ended June 30, 2022. Federal and state aid, accounted for another 68% of revenue.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (Continued)

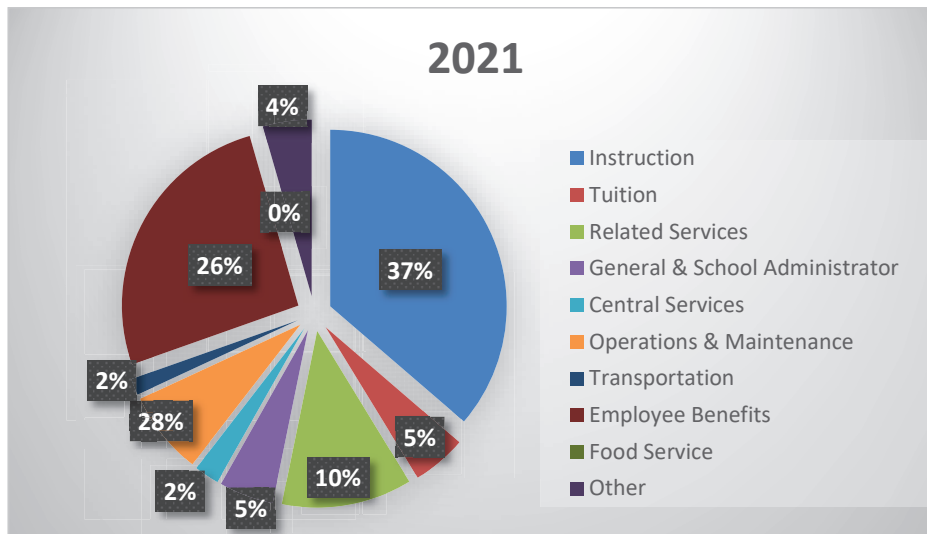
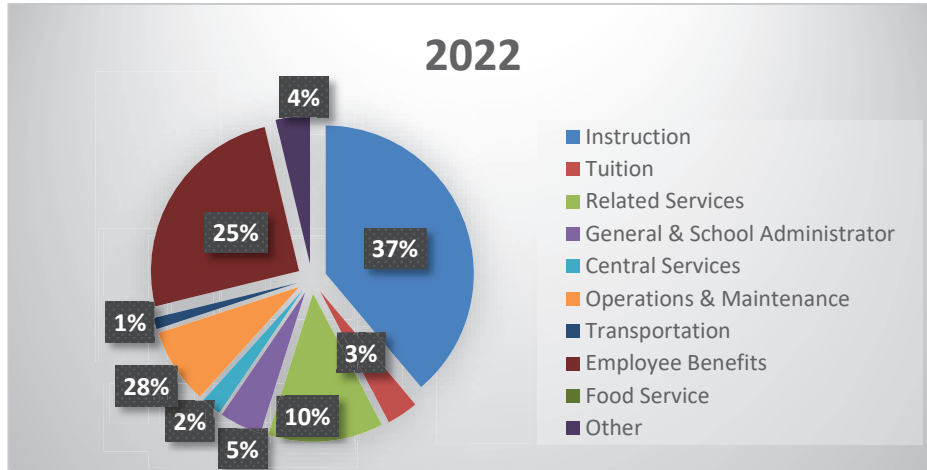
Governmental Activities (continued)



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (Continued)**

The total cost of all programs and services was \$27,294,046. Instruction and Benefits comprised 64% of all District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
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 \$204,533.
- Charges for services represent \$11,818 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 \$803,413.

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 2022</u>	<u>Net Cost of Services Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services Services 2021</u>
Instruction	\$ 10,608,304	\$ 8,207,437	\$ 9,086,437	\$ 7,606,974
Support Services:				
Pupils and Instructional Staff	4,373,916	3,312,562	4,227,116	3,393,862
Administration	1,261,476	1,261,476	1,248,865	1,248,865
Operations and Maintenance	2,849,005	2,849,005	2,476,276	2,476,276
Pupil Transportation	334,703	334,703	373,672	373,672
Employee Benefits	6,847,750	2,659,745	9,103,670	2,766,091
Other	1,174,295	1,174,295	1,114,672	1,114,672
Total Expenses	<u>\$ 27,449,449</u>	<u>\$ 19,799,223</u>	<u>\$ 27,630,708</u>	<u>\$ 18,980,412</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, 2022
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 \$28,373,751 and expenditures were \$27,294,046 in 2022. The net change in fund balance for the year was most significant in the Capital Projects fund – a decrease of \$343,369. 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 \$168,502.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$613,556 and special education budgeted cost exceeded actual expenses by \$256,672.
- ❖ Budgeted tuition cost exceeded actual by approximately \$483,006.
- ❖ Budgeted administrative costs exceeded actual by approximately \$73,649. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$278,038 less than budgeted due to the utilization of purchasing through Co-operatives.

Capital Assets

At the end of the fiscal year 2022, the School District had \$29,399,139 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 4 shows fiscal year 2022 balances compared to 2021.

Table 4 Net Investment in Capital Assets

	2022	2021
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Building Improvements	27,087,874	25,997,652
Equipment	4,198,700	4,038,499
Less: Accumulated Depreciation:	(11,791,722)	(10,870,154)
	29,281,352	28,952,497
Business-Type Activities:		
Equipment	366,246	366,246
Less: Accumulated Depreciation:	(248,459)	(235,098)
	117,787	131,148
Total Capital Assets	\$ 29,399,139	\$ 29,083,645

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED (Continued)**

Overall capital assets increased \$328,855 from fiscal year 2021 to fiscal year 2022. 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. Renovated auditorium, elevator and basketball court 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, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 4,697,364	\$ 262,637	\$ 4,960,001
Receivables, Net (Note 4)	926,663	51,516	978,179
Inventory	-	18,481	18,481
Restricted Cash & Cash Equivalents	5,854,310	-	5,854,310
Capital Assets, Net (Note 5)			
Non-depreciable	9,786,500	-	9,786,500
Depreciable	19,494,852	117,787	19,612,639
Total Assets	40,759,689	450,421	41,210,110
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	454,243	-	454,243
Total Deferred Outflow of Resources	454,243	-	454,243
Total Assets and Deferred Outflow of Resources	41,213,932	450,421	41,664,353
LIABILITIES			
Accounts Payable	412,806	-	412,806
Due to Other Governments	272,808	-	272,808
Unearned Revenue	703,758	11,787	715,545
Accrued Interest	44,291	-	44,291
Noncurrent Liabilities (Note 7):			
Due Within One Year	501,038	-	501,038
Due in more than one year	8,189,857	-	8,189,857
Total Liabilities	10,124,558	11,787	10,136,345
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	1,651,299	-	1,651,299
Total Deferred Inflow of Resources	1,651,299	-	1,651,299
Total Liabilities and Deferred Inflow of Resources	11,775,857	11,787	11,787,644
NET POSITION			
Net Investment in Capital Assets	23,555,781	117,787	23,673,568
Restricted For:			
Capital Projects	4,886,346	-	4,886,346
Debt Service	288,835	-	288,835
Maintenance Reserve	762,382	-	762,382
New Jersey Unemployment Fund	186,851	-	186,851
Student Activities	3,358	-	3,358
Excess Surplus	4,075,000	-	4,075,000
Unrestricted (Deficit)	(4,320,478)	320,847	(3,999,631)
Total Net Position	\$ 29,438,075	\$ 438,634	\$ 29,876,709

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, 2022**

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	\$ 7,075,936	\$ -	2,400,867	\$ (4,675,069)	\$ -	\$ (4,675,069)
Special Education	2,640,018	-	-	(2,640,018)	-	(2,640,018)
Other Instruction	892,350	-	-	(892,350)	-	(892,350)
Support Services & Undistributed Costs:						
Tuition	939,745	-	-	(939,745)	-	(939,745)
Student & Instruction Related Services	3,434,171	-	1,061,354	(2,372,817)	-	(2,372,817)
General Administrative Services	435,783	-	-	(435,783)	-	(435,783)
School Administrative Services	825,693	-	-	(825,693)	-	(825,693)
Central Services	598,534	-	-	(598,534)	-	(598,534)
Plant Operations & Maintenance	2,250,471	-	-	(2,250,471)	-	(2,250,471)
Pupil Transportation	334,703	-	-	(334,703)	-	(334,703)
Unallocated Employee Benefits	5,240,580	-	2,580,835	(2,659,745)	-	(2,659,745)
On Behalf TPAF Pension and Social Security Contributions	1,607,170	-	1,607,170	-	-	-
Interest & Other Changes in Long-Term Debt	342,443	-	-	(342,443)	-	(342,443)
Unallocated Depreciation & Amortization	831,852	-	-	(831,852)	-	(831,852)
Total Governmental Activities	27,449,449	-	7,650,226	(19,799,223)	-	(19,799,223)
Business-Type Activities:						
Food Service	610,950	11,818	803,413	-	204,281	204,281
Total Business-Type Activities	610,950	11,818	803,413	-	204,281	204,281
Total Primary Government	\$ 28,060,399	\$ 11,818	\$ 8,453,639	(19,799,223)	204,281	(19,594,942)

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, 2022**

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	8,811,610	-	8,811,610
Federal & State Aid Not Restricted	11,757,354	-	11,757,354
Tuition	215,502	-	215,502
Interest Earnings	2,653	252	2,905
Miscellaneous Income	91,809	-	91,809
Total General Revenues, Special Items, Extraordinary Items & Transfers	20,878,928	252	20,879,180
Change In Net Position	1,079,705	204,533	1,284,238
Net Position - Beginning	28,358,370	234,101	28,592,471
Net Position - Ending	\$ 29,438,075	\$ 438,634	\$ 29,876,709

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, 2022**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 3,545,363	\$ 583,964	\$ 41	\$ 567,996	\$ 4,697,364
Receivables, Net:					
Other Receivable	38,760	5,000	-	-	43,760
Due from Other Governments:					
State	466,925	1,280	-	-	468,205
Federal	-	414,698	-	-	414,698
Interfund Receivable	281,913	-	-	41	281,954
Restricted Cash & Cash Equivalents	5,854,310	-	-	-	5,854,310
Total Assets	\$ 10,187,271	\$ 1,004,942	\$ 41	\$ 568,037	\$ 11,760,291
LIABILITIES & FUND BALANCES					
Liabilities:					
Interfund Payable	\$ -	\$ 2,711	\$ 41	\$ 279,202	\$ 281,954
Accounts Payable	103,086	272,360	-	-	375,446
Payroll Taxes Payable	18,629	-	-	-	18,629
Unemployment Compensation Claims Payable	18,731	-	-	-	18,731
Due to Other Governments	-	22,755	-	-	22,755
Unearned Revenue	-	703,758	-	-	703,758
Total Liabilities	140,446	1,001,584	41	279,202	1,421,273
Fund Balances:					
Restricted for:					
Excess Surplus	2,000,000	-	-	-	2,000,000
Capital Reserve Account	4,886,346	-	-	-	4,886,346
Maintenance Reserve	762,382	-	-	-	762,382
Excess Surplus - Designated for Subsequent Year's Expenditures	2,075,000	-	-	-	2,075,000
New Jersey Unemployment Fund	186,851	-	-	-	186,851
Student Activities	-	3,358	-	-	3,358
Committed for:					
Capital Projects	-	-	-	-	-
Assigned to:					
Designated by the BOE for Subsequent Year's Expenditures	-	-	-	-	-
Other Purposes	176,555	-	-	-	176,555
Debt Service Fund	-	-	-	288,835	288,835
Unassigned:					
General Fund	(40,309)	-	-	-	(40,309)
Total Fund Balances	10,046,825	3,358	-	288,835	10,339,018
Total Liabilities & Fund Balances	\$ 10,187,271	\$ 1,004,942	\$ 41	\$ 568,037	

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 \$41,073,074 and the accumulated depreciation is \$11,791,722.	29,281,352
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.	(250,053)
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.	(44,291)
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.	(1,197,056)
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)	(8,690,895)
Net Position of Governmental Activities	\$ 29,438,075

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

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,553,648	\$ -	\$ -	\$ 257,962	\$ 8,811,610
Tuition Charges	215,502	-	-	-	215,502
Transportation	-	-	-	-	-
Interest Earned	2,000	-	368	285	2,653
Miscellaneous	91,809	20,144	-	-	111,953
Total Local Sources	8,862,959	20,144	368	258,247	9,141,718
State Sources	16,531,558	1,131,789	-	-	17,663,347
Federal Sources	34,835	2,310,288	-	-	2,345,123
Total Revenues	25,429,352	3,462,221	368	258,247	29,150,188
Expenditures:					
Instruction:					
Regular	4,697,552	2,378,384	-	-	7,075,936
Special Education	2,640,018	-	-	-	2,640,018
Other Instruction	892,350	-	-	-	892,350
Support Services & Undistributed Costs:					
Tuition	939,745	-	-	-	939,745
Student & Instruction Related Services	2,372,817	1,061,354	-	-	3,434,171
General Administrative Services	435,783	-	-	-	435,783
School Administrative Services	825,693	-	-	-	825,693
Central Services	598,534	-	-	-	598,534
Plant Operations & Maintenance	2,381,549	-	-	-	2,381,549
Pupil Transportation	334,703	-	-	-	334,703
Unallocated Employee Benefits	8,144,833	-	-	-	8,144,833
Debt Service:					
Principal	-	-	-	305,000	305,000
Interest & Other Charges	13,277	-	-	211,601	224,878
Capital Outlay	1,133,163	27,544	-	-	1,160,707
Total Expenditures	25,410,017	3,467,282	-	516,601	29,393,900
Other Financing Sources\ (Uses):					
Proceeds of Refunding Bond	-	-	-	5,215,000	5,215,000
Deposit to Refunding Escrow	-	-	-	(5,119,403)	(5,119,403)
Transfer (In)/(Out)	(100,000)	-	(343,737)	443,737	-
Total Other Financing Sources\ (Uses)	(100,000)	-	(343,737)	539,334	95,597
Net Change in Fund Balances	(80,665)	(5,061)	(343,369)	280,980	(148,115)
Fund Balance - July 1	10,127,490	8,419	343,369	7,855	10,487,133
Fund Balance - June 30	\$ 10,046,825	\$ 3,358	\$ -	\$ 288,835	\$ 10,339,018

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, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (148,115)

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	\$ (925,553)	
Net Deletion and Adjustments of Capital Assets	93,701	
Capital Outlay	1,160,707	328,855

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. 305,000

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

Bond Proceeds	(5,215,000)	
Bond Refunded	4,964,000	(251,000)

Repayment of loan 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. 131,078

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. 656,713

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. 37,838

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	(613,051)	
Prior Year	632,387	19,336

Change in Net Position of Governmental Activities \$ 1,079,705

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

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Proprietary Funds

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**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
ASSETS	
Current Assets:	
Cash	\$ 262,637
Intergovernmental Accounts Receivables	51,516
Inventories	18,481
	<hr/>
Total Current Assets	332,634
	<hr/>
Fixed Assets:	
Equipment	366,246
Less: Accumulated Depreciation	(248,459)
	<hr/>
Total Fixed Assets	117,787
	<hr/>
Total Assets	450,421
	<hr/>
LIABILITIES	
Unearned Revenue	11,787
	<hr/>
Total Liabilities	11,787
	<hr/>
NET POSITION	
Net Investment in Capital Assets	117,787
Unrestricted Net Position	320,847
	<hr/>
Total Net Position	\$ 438,634
	<hr/> <hr/>

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

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 9,779
Special Functions	2,039
	<hr/>
Total Operating Revenues	11,818
	<hr/>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	281,912
Cost of Sales- Non-Reimbursable Programs	5,318
Salaries and Benefits	211,918
Supplies & Materials	45,040
Depreciation	13,361
Management Fee	31,500
Direct Services	21,901
	<hr/>
Total Operating Expenses	610,950
	<hr/>
Operating Income/(Loss)	(599,132)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	14,339
Federal Sources:	
National School Lunch Program	593,388
National School Breakfast Program	110,295
Food Distribution Program	50,834
Breakfast EMOP	33,315
Pandemic EBT Admin	1,242
Interest Revenue	252
	<hr/>
Total Nonoperating Revenues/(Expenses)	803,665
	<hr/>
Net Income/(Loss)	204,533
Net Position - July 1	234,101
	<hr/>
Net Position - June 30	\$ 438,634
	<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, 2022**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 6,739
Payments to Employees	(211,918)
Payments to Suppliers	(334,245)
Net Cash Provided/(Used) by Operating Activities	(539,424)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	713,850
Net Cash Provided/(Used) by Noncapital Financing Activities	713,850
Cash Flows From Investing Activities:	
Interest & Dividends	252
Net Cash Provided/(Used) by Investing Activities	252
Net Increase/(Decrease) in Cash & Cash Equivalents	174,678
Balances - Beginning of Year	87,959
Balances - End of Year	\$ 262,637
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (599,132)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	13,361
Food Distribution Program	50,834
(Increase)/Decrease in Inventories	592
Increase/(Decrease) in Unearned Revenues	(5,079)
Total Adjustments	59,708
Net Cash Provided/(Used) by Operating Activities	\$ (539,424)

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, 2022**

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MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

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, 2022 of 1,040 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, 2022.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 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, 2022 (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, 2022 (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, 2022.
- 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, 2022 (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 following GASB Statements became effective for the fiscal year ended June 30, 2022:

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. The District has evaluated the effects of GASB Statement No. 87 and has determined the provisions of this Statement do not need to be applied due to the immaterial effect on the government-wide financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, Subscription-Based Information Technology Arrangements. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, Compensated Absences. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

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, 2022, the District’s bank balance of \$11,273,347 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 11,039,082
Uninsured and Uncollateralized	<u>234,265</u>
	<u>\$ 11,273,347</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 2. Deposits and Investments (continued)

Investments

The District had no investments at June 30, 2022.

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 *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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	4,802,432
Increased by:		
Interest		2,000
Deposits approved by Board		1,681,914
		6,486,346
Decreased by:		
Budget Withdrawals		(1,600,000)
		\$ 4,886,346
Ending Balance, June 30, 2022		

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2022 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 3. Reserve Accounts (continued)

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	908,782
Increased by:		
Deposits approved by Board		250,000
		1,158,782
Decreased by:		
Budget Withdrawals		(396,400)
Ending Balance, June 30, 2022	\$	762,382

Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 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	\$ -	\$ 414,698	\$ 414,698	\$ 49,838	\$ 49,838
State Awards	466,925	1,280	468,205	1,678	1,678
Other	38,760	5,000	43,760	-	-
Total	\$ 505,685	\$ 420,978	\$ 926,663	\$ 51,516	\$ 51,516

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Adjustments</u>	<u>Balance June 30, 2022</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,786,500	\$ -	\$ -	\$ -	\$ 9,786,500
Total Capital Assets not being depreciated	9,786,500	-	-	-	9,786,500
Capital Assets being depreciated:					
Building Improvements	25,997,652	1,055,824	-	34,398	27,087,874
Equipment	4,038,499	104,883	(4,900)	60,218	4,198,700
Total Capital Assets being depreciated	30,036,151	1,160,707	(4,900)	94,616	31,286,574
Less: Accumulated Depreciation:					
Building Improvements	(7,944,944)	(668,648)	-	-	(8,613,592)
Equipment	(2,925,210)	(256,905)	-	3,985	(3,178,130)
Total Accumulated Depreciation	(10,870,154)	(925,553)	-	3,985	(11,791,722)
Total Capital Assets being depreciated, net	19,165,997	235,154	(4,900)	98,601	19,494,852
Total Governmental Activities Capital Assets, net	\$ 28,952,497	\$ 235,154	\$ (4,900)	\$ 98,601	\$ 29,281,352

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 5. Capital Assets (continued):

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Business-Type Activities:				
Equipment	\$ 366,246	\$ -	\$ -	\$ 366,246
	366,246	-	-	366,246
Less: Accumulated Depreciation:				
Equipment	(235,098)	(13,361)	-	(248,459)
	(235,098)	(13,361)	-	(248,459)
Total Business-Type Activities Capital Assets, net	\$ 131,148	\$ (13,361)	\$ -	\$ 117,787

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, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 281,913	\$ -
Special Revenue Fund	-	2,711
Capital Projects Fund	-	41
Debt Service Fund	41	279,202
	\$ 281,954	\$ 281,954

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.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 100,000
Capital Projects Fund	-	343,737
Debt Service Fund	443,737	-
	\$ 443,737	\$ 443,737

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Balance Due <u>Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 5,584,000	\$ 5,215,000	\$ 5,269,000	\$ 5,530,000	\$ 390,000
Loans Payable	326,649	-	131,078	195,571	111,038
Compensated Absences	632,387	-	19,336	613,051	-
Net Pension Liability	3,154,581	-	802,308	2,352,273	-
	<u>\$ 9,697,617</u>	<u>\$ 5,215,000</u>	<u>\$ 6,221,722</u>	<u>\$ 8,690,895</u>	<u>\$ 501,038</u>

For governmental activities, the bonds and loans 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 were refunded in October 2021.

In October 2021, the District issued \$5,215,000 of Refunding School Bonds. The Refunding School Bonds were issued at interest rates varying from 0.50% to 2.55% and mature in July 2034.

Principal and interest due on the outstanding bonds as of June 30, 2022 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 390,000	\$ 70,871	\$ 460,871
2024	375,000	93,425	468,425
2025	380,000	91,362	471,362
2026	385,000	88,133	473,133
2027	395,000	83,513	478,513
2028-2032	2,195,000	312,250	2,507,250
2033-2034	1,410,000	70,030	1,480,030
	<u>\$ 5,530,000</u>	<u>\$ 809,584</u>	<u>\$ 6,339,584</u>

Loans 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 7. Long-Term Obligations (continued)

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.

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 loans payable as of June 30, 2022

Fiscal Year Ending <u>June 30,</u>	
2023	\$ 111,038
2024	67,262
2025	<u>22,225</u>
Total Minimum Lease Payments	200,525
Less: Amount Representing Interest	<u>(4,954)</u>
Present Value of Minimum Lease Payments	<u>\$ 195,571</u>

At June 30, 2022 the minimum lease payments due within one year is \$111,038.

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

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 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2022, the School District reported a liability of \$2,352,273 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was 0.01985%, which was an increase of 0.000511% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension expense/(benefit) of (\$424,172) in the government-wide financial statements. This pension expense/(benefit) was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 37,098	\$ 16,839
Changes of Assumptions	12,251	837,424
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	619,650
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	154,841	177,386
School District Contributions Subsequent to Measurement Date	250,053	-
	\$ 454,243	\$ 1,651,299

\$250,053 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2022	\$ (563,817)
2023	(402,564)
2024	(274,480)
2025	(206,327)
2026	79
	\$ (1,447,109)

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of 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	-
June 30, 2021	5.13	-
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
June 30, 2021	-	5.13
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
June 30, 2021	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
June 30, 2021	5.13	5.13

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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		
	PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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-2021.

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, 2021) 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, 2021 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 3,237,466</u>	<u>\$ 2,352,273</u>	<u>\$ 1,647,416</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.019856%	0.019344%

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 Annual Comprehensive Financial Report (ACFR) 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

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

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 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021 was \$38,205,032. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.07946%, which was an increase of 0.004418% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$898,981 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, 2021 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2022 (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	1.55 - 4.45%	Based on Years of Service
Thereafter	2.75 - 5.65%	Based on Years of Service
Investment Rate of Return		7.00%

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	45,202,934	38,205,032	32,327,234
	<u>\$ 45,202,934</u>	<u>\$ 38,205,032</u>	<u>\$ 32,327,234</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, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.07947%	0.07505%

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022 (continued)

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.

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, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

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

Total Nonemployer OPEB Liability: \$ 60,007,650,970

Inflation Rate: 2.50%

	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	2.75 - 5.65% based on years of service	3.00 - 7.00% based on years of service	Not Applicable

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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, 2022 was \$54,421,610. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.09069%, which was a decrease of 0.000638% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$2,579,128 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, 2021 measurement date.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 65,188,545.40	\$ 54,421,610	\$ 45,943,294.69
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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, 2021, 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:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)

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

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 44,054,470	\$ 54,421,610	\$ 68,343,913
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	10,179,536,966	6,438,261,807
	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	10,179,536,966	6,438,261,807
	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

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

** Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

Plan Membership

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability	
Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$3,322,802, \$776,341 and \$1,707, 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>
2021-2022	\$ 10,131	\$ 317	\$ 18,731	\$ 186,851
2020-2021	18,731	334	5,368	195,134
2019-2020	18,565	2,192	26,561	181,437

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 Environmental Impairment Liability School Board Legal Liability Employers Liability	General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage
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MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022 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, 2022, the liability for compensated absences reported on the government-wide Statement of Net Position was \$613,051.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022 was \$2,000,000.

Note 17. Fund Balances

General Fund – Of the \$10,046,825 General Fund balance at June 30, 2022, \$4,886,346 has been restricted for the Capital Reserve Account; \$762,382 has been restricted for the Maintenance Reserve Account; \$186,851 has been restricted for the Unemployment Reserve Account; \$2,075,000 has been restricted for current year excess surplus; \$2,000,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$176,555 has been assigned to other purposes; and \$(40,309) has been unassigned.

Special Revenue Fund – Of the \$3,358 Special Revenue Fund balance at June 30, 2022, \$3,358 is restricted for future student activities.

Debt Service Fund – Of the \$288,835 Debt Service Fund balance at June 30, 2022, \$288,835 is restricted for future debt service payments.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 18. Deficit Fund Balances

The District has a deficit fund balance of \$(40,309) in the General Fund as of June 30, 2022 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 \$(40,309) 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 \$(4,320,478). 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, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 13, 2023, 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.

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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, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 8,553,648	\$ -	\$ 8,553,648	\$ 8,553,648	\$ -
Interest on Capital Reserve	10-1XXX	2,000	-	2,000	2,000	-
Tuition from LEAs Within State	10-1320	-	-	-	168,502	168,502
Tuition from Other Govt Sources	10-1321	-	-	-	47,000	47,000
Unrestricted Miscellaneous	10-1990	15,000	-	15,000	91,809	76,809
Total Local Sources		8,570,648	-	8,570,648	8,862,959	292,311
State Sources:						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Extraordinary Aid	10-3131	12,500	-	12,500	289,175	276,675
Categorical Special Education Aid	10-3132	755,237	-	755,237	755,237	-
Equalization Aid	10-3176	9,073,168	-	9,073,168	9,073,168	-
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	-	-	-	6,960	6,960
Homeless Tuition Aid		-	-	-	126,788	126,788
Other Unrestricted State Aid		-	52,766	52,766	52,766	-
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	776,341	776,341
On-Behalf TPAF Pension Contributions		-	-	-	3,322,802	3,322,802
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,707	1,707
Reimbursed TPAF Social Security Contributions		-	-	-	708,189	708,189
Total State Sources		11,332,040	52,766	11,384,806	16,604,268	5,219,462
Federal Sources:						
Medicaid Reimbursement	10-4200	33,375	-	33,375	34,835	1,460
Total Federal Services		33,375	-	33,375	34,835	1,460
Total Revenues		19,936,063	52,766	19,988,829	25,502,062	5,513,233
Expenditures:						
Instruction:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-110-101	485,034	7,763	492,797	492,797	-
Grades 1 - 5	11-120-100-101	2,579,864	(227,533)	2,352,331	2,053,207	299,124
Grades 6 - 8	11-130-100-101	1,632,176	(123,288)	1,508,888	1,423,560	85,328
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	12,300	16,949	29,249	25,660	3,589
Purchased Professional & Educational Services	11-150-100-320	18,000	(1,680)	16,320	8,207	8,113
Regular Programs - Undistributed:						
Other Salaries for Instruction	11-190-100-106	128,961	(3,141)	125,820	103,494	22,326
Purchased Professional & Educational Services	11-190-100-320	358,096	(4,657)	353,439	300,906	52,533
Purchased Technical Services	11-190-100-340	22,201	(1)	22,200	17,612	4,588
Other Purchased Services	11-190-100-500	169,035	1,365	170,400	144,288	26,112
General Supplies	11-190-100-610	227,790	(1,776)	226,014	127,821	98,193
Textbooks	11-190-100-640	13,500	-	13,500	-	13,500
Other Objects	11-190-100-800	150	-	150	-	150
Regular Programs - Employee Benefits:						
Health Benefits	11-1xx-100-270	89,250	(89,250)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
Total Instruction - Regular Programs		5,765,357	(454,249)	5,311,108	4,697,552	613,556

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	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	474,859	1,028	475,887	467,328	8,559
Other Salaries for Instruction	11-212-100-106	241,604	(9,450)	232,154	165,501	66,653
Purchased Professional & Educational Services	11-212-100-320	382,966	98,205	481,171	408,667	72,504
Other Purchased Services	11-212-100-500	100	(100)	-	-	-
General Supplies	11-212-100-610	26,200	(20,861)	5,339	3,528	1,811
Textbooks	11-212-100-640	2,000	(2,000)	-	-	-
Total Multiple Disabilities		1,127,729	66,822	1,194,551	1,045,024	149,527
Resource Room/Center:						
Salaries of Teachers	11-213-100-101	1,357,145	58,908	1,416,053	1,415,618	435
Other Salaries for Instruction	11-213-100-106	29,534	(7,654)	21,880	21,880	-
Purchased Professional & Educational Services	11-213-100-320	50,000	19,531	69,531	29,236	40,295
General Supplies	11-213-100-610	4,800	(2,253)	2,547	2,547	-
Textbooks	11-213-100-640	1,000	(1,000)	-	-	-
Total Resource Room/Center		1,442,479	67,532	1,510,011	1,469,281	40,730
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	112,767	2,604	115,371	113,192	2,179
Other Salaries for Instruction	11-216-100-106	58,580	-	58,580	-	58,580
Purchased Professional & Educational Services	11-216-100-320	2,000	15,060	17,060	11,459	5,601
General Supplies	11-216-100-600	1,000	(117)	883	828	55
Other Objects	11-216-100-800	-	234	234	234	-
Total Preschool Disabilities - Full Time		174,347	17,781	192,128	125,713	66,415
Employee Benefits - Special Education:						
Health Benefits	11-2xx-100-270	274,500	(274,500)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
Total Employee Benefits - Special Education		287,500	(287,500)	-	-	-
Total Special Education		3,032,055	(135,365)	2,896,690	2,640,018	256,672
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	93,424	232,208	325,632	325,632	-
Purchased Professional & Educational Services	11-230-100-320	3,000	(204)	2,796	379	2,417
General Supplies	11-230-100-600	3,000	(208)	2,792	2,756	36
Total Basic Skills/Remedial		99,424	231,796	331,220	328,767	2,453

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Bilingual Education:						
Salaries of Teachers	11-240-100-101	151,683	(2,080)	149,603	146,123	3,480
Other Salaries for Instruction	11-240-100-106	5,000	-	5,000	-	5,000
Purchased Professional & Educational Services	11-240-100-320	4,000	(260)	3,740	1,203	2,537
General Supplies	11-240-100-610	3,000	(1,526)	1,474	1,400	74
Total Bilingual Education		163,683	(3,866)	159,817	148,726	11,091
School Sponsored Cocurricular Activities:						
Salaries of Teachers	11-401-100-100	142,544	(2,131)	140,413	98,964	41,449
Purchased Services	11-401-100-500	7,967	144	8,111	4,752	3,359
Supplies and Materials	11-401-100-600	7,680	(1,359)	6,321	3,496	2,825
Other Objects	11-401-100-800	7,560	5,045	12,605	11,999	606
Total School Sponsored Cocurricular Activities		165,751	1,699	167,450	119,211	48,239
School Sponsored Athletics:						
Salaries of Teachers	11-402-100-100	30,574	2,131	32,705	32,705	-
Supplies and Materials	11-402-100-600	-	550	550	522	28
Total School Sponsored Athletics		30,574	2,681	33,255	33,227	28
Other Instructional Programs:						
Salaries of Teachers	11-403-100-100	62,542	-	62,542	30,722	31,820
Supplies and Materials	11-403-100-600	4,500	-	4,500	3,519	981
Total Other Instructional Programs		67,042	-	67,042	34,241	32,801
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
Summer School						
Salaries of Teachers	11-422-100-101	24,780	-	24,780	-	24,780
Other Salaries of Instruction	11-422-100-106	4,590	-	4,590	-	4,590
Total Summer School		29,370	-	29,370	-	29,370
Support Services:						
Tuition:						
Tuition to Other LEA's - Within State Regular	11-000-100-561	238,304	(26,647)	211,657	91,584	120,073
Tuition to Other LEA's - Within State Special	11-000-100-562	-	8,520	8,520	8,129	391
Tuition to County Special Services & Regular Day Schools	11-000-100-565	654,126	(134,831)	519,295	207,325	311,970
Tuition to Private Schools - Handicapped Within State	11-000-100-566	438,675	61,487	500,162	485,590	14,572
Tuition - Other	11-000-100-569	143,400	39,717	183,117	147,117	36,000
Total Tuition		1,474,505	(51,754)	1,422,751	939,745	483,006
Attendance & Social Work Services:						
Salaries	11-000-211-100	60,336	536	60,872	60,872	-
Salaries of Community/School Coordinators	11-000-211-174	144,415	-	144,415	144,275	140
Purchased Professional & Technical Services	11-000-211-300	65,941	(19,655)	46,286	45,410	876
Other Purchased Services	11-000-211-500	1,500	30	1,530	1,020	510
Supplies and Material	11-000-211-600	-	701	701	695	6
Other Objects	11-000-211-800	1,095	-	1,095	1,095	-
Total Attendance & Social Work Services		273,287	(18,388)	254,899	253,367	1,532

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Health Services:						
Salaries	11-000-213-100	269,604	4,940	274,544	274,544	-
Purchased Professional & Technical Services	11-000-213-300	16,650	8,863	25,513	25,013	500
Other Purchased Services	11-000-213-500	1,030	(1,030)	-	-	-
Supplies and Materials	11-000-213-600	23,666	(18,426)	5,240	5,240	-
Other Objects	11-000-213-800	-	450	450	446	4
Total Health Services		310,950	(5,203)	305,747	305,243	504
Speech, OT, PT, Related & Extraordinary Services:						
Salaries	11-000-216-100	193,099	(28,753)	164,346	161,948	2,398
Purchased Professional & Educational Services	11-000-216-320	266,742	32,831	299,573	284,575	14,998
Travel	11-000-216-580	-	57	57	-	57
Supplies and Materials	11-000-216-600	1,950	2,476	4,426	4,380	46
Other Objects	11-000-216-800	225	(225)	-	-	-
Total Speech, OT, PT, Related & Extraordinary Services:		462,016	6,386	468,402	450,903	17,499
Other Support Services- Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	158,988	78,987	237,975	228,178	9,797
Total Other Support Services:		158,988	78,987	237,975	228,178	9,797
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	317,745	43,917	361,662	351,987	9,675
Purchased Professional- Education Services	11-000-218-320	-	13,965	13,965	12,469	1,496
Supplies and Materials	11-000-218-600	4,351	(1,742)	2,609	2,582	27
Total Guidance		322,096	56,140	378,236	367,038	11,198
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	487,879	(17,961)	469,918	464,673	5,245
Salaries of Secretarial & Clerical Assistants	11-000-219-105	66,062	343	66,405	65,053	1,352
Purchased Professional & Educational Services	11-000-219-320	63,618	(39,285)	24,333	17,028	7,305
Other Purchased Services	11-000-219-500	24,467	(9,574)	14,893	12,211	2,682
Supplies and Materials	11-000-219-600	20,300	(5,822)	14,478	12,471	2,007
Other Objects	11-000-219-800	5,700	(3,550)	2,150	1,995	155
Total Child Study Teams		668,026	(75,849)	592,177	573,431	18,746
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	54,688	804	55,492	55,489	3
Salaries of Other Professional Staff	11-000-221-104	60,000	(1,198)	58,802	25,767	33,035
Salaries of Secretarial & Clerical Assistants	11-000-221-105	21,019	51	21,070	21,070	-
Purchased Professional & Educational Services	11-000-221-320	3,600	-	3,600	3,591	9
Other Purchased Services	11-000-221-500	5,160	330	5,490	3,978	1,512
Supplies and Materials	11-000-221-600	5,300	(201)	5,099	3,365	1,734
Other Objects	11-000-221-800	1,325	-	1,325	845	480
Total Improvement of Instructional Services		151,092	(214)	150,878	114,105	36,773

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Educational Media Services - School Library:						
Salaries	11-000-222-100	250,872	-	250,872	147,071	103,801
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,226	274
Supplies and Materials	11-000-222-600	14,336	1,415	15,751	13,238	2,513
Other Objects	11-000-222-800	105	-	105	-	105
Total Educational Media Services - School Library		270,813	1,415	272,228	165,535	106,693
Instructional Staff Training Services:						
Salaries of Supervisor of Instruction	11-000-223-102	54,688	804	55,492	55,489	3
Salaries of Secretarial & Clerical Assistants	11-000-223-105	21,019	51	21,070	21,070	-
Purchased Professional & Educational Services	11-000-223-320	24,000	(510)	23,490	14,467	9,023
Other Purchased Prof and Tech Services	11-000-223-390	79,060	(11,000)	68,060.00	50,000.00	18,060
Other Purchased Services	11-000-223-500	9,000	-	9,000	529	8,471
Supplies and Materials	11-000-223-600	9,000	-	9,000	1,640	7,360
Other Objects	11-000-223-800	102	-	102	-	102
Total Instructional Staff Training Services		196,869	(10,655)	186,214	143,195	43,019
General Administration:						
Salaries	11-000-230-100	232,865	-	232,865	231,692	1,173
Legal Services	11-000-230-331	61,000	-	61,000	54,038	6,962
Audit Services	11-000-230-332	28,800	-	28,800	27,032	1,768
Architectural/Engineering Services	11-000-230-334	15,000	(2,000)	13,000	-	13,000
Other Purchased Professional Services	11-000-230-339	8,000	(1,500)	6,500	3,700	2,800
Purchased Technical Services	11-000-230-340	11,000	(4,500)	6,500	5,057	1,443
Communications/Telephone	11-000-230-530	90,320	(5,000)	85,320	61,006	24,314
BOE Other Purchased Services	11-000-230-585	9,000	-	9,000	899	8,101
Other Purchased Services	11-000-230-590	21,790	7,137	28,927	24,645	4,282
Supplies & Materials	11-000-230-610	13,150	(925)	12,225	5,549	6,676
BOE In-House Training/Supplies	11-000-230-630	1,650	-	1,650	817	833
Judgments Against District	11-000-230-820	-	10,000	10,000	10,000	-
Miscellaneous Expenditures	11-000-230-890	3,700	-	3,700	2,259	1,441
BOE Membership Dues & Fees	11-000-230-895	10,445	(500)	9,945	9,089	856
Total General Administration		506,720	2,712	509,432	435,783	73,649
School Administration:						
Salaries of Principals/Assistants Principals	11-000-240-103	458,846	39,761	498,607	498,607	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	310,608	(23,943)	286,665	285,867	798
Purchased Professional & Technical Services	11-000-240-300	7,500	15,664	23,164	20,888	2,276
Other Purchased Services	11-000-240-500	7,900	(650)	7,250	3,911	3,339
Supplies & Materials	11-000-240-600	39,810	(20,331)	19,479	12,790	6,689
Other Objects	11-000-240-800	4,145	-	4,145	3,630	515
Total School Administration		828,809	10,501	839,310	825,693	13,617
Central Services:						
Salaries	11-000-251-100	340,369	-	340,369	336,380	3,989
Purchased Professional Services	11-000-251-330	11,550	1,901	13,451	12,951	500
Miscellaneous Purchased Services	11-000-251-592	11,385	(885)	10,500	5,885	4,615
Supplies & Materials	11-000-251-600	9,471	-	9,471	6,882	2,589
Miscellaneous Expenditures	11-000-251-890	2,800	-	2,800	2,391	409
Total Central Services		375,575	1,016	376,591	364,489	12,102

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Admin Info Technology:						
Salaries	11-000-252-100	60,291	32,900	93,191	93,191	-
Purchased Technical Services	11-000-252-340	121,765	17,383	139,148	139,148	-
Supplies & Materials	11-000-252-600	21,500	(19,362)	2,138	1,706	432
Total Admin Info Technology		203,556	30,921	234,477	234,045	432
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance Services	11-000-261-420	312,900	42,107	355,007	297,229	57,778
General Supplies	11-000-261-610	101,725	(16,488)	85,237	75,490	9,747
Other Objects	11-000-261-800	5,575	310	5,885	5,247	638
Total Regular Maintenance School Facilities		420,200	25,929	446,129	377,966	68,163
Custodial Services:						
Salaries	11-000-262-100	1,018,684	11,876	1,030,560	976,423	54,137
Salaries of Non-Instructional Aides	11-000-262-107	122,638	184	122,822	114,707	8,115
Health Benefits	11-000-262-270	265,000	(265,000)	-	-	-
Purchased Professional & Technical Services	11-000-262-300	32,800	(4,993)	27,807	23,758	4,049
Cleaning, Repair & Maintenance Services	11-000-262-420	47,300	8,720	56,020	49,049	6,971
Rental of Land & Buildings	11-000-262-441	5,550	(4,953)	597	-	597
Other Purchased Property Services	11-000-262-490	55,000	-	55,000	38,806	16,194
Insurance	11-000-262-520	109,110	(6,000)	103,110	101,060	2,050
Miscellaneous Purchased Services	11-000-262-590	2,350	(1,152)	1,198	407	791
General Supplies	11-000-262-610	91,115	(7,000)	84,115	73,775	10,340
Energy (Natural Gas)	11-000-262-621	130,000	12,000	142,000	130,695	11,305
Energy (Electricity)	11-000-262-622	410,000	(3,000)	407,000	352,916	54,084
Total Custodial Services		2,289,547	(259,318)	2,030,229	1,861,596	168,633
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service	11-000-263-420	26,500	9,300	35,800	22,510	13,290
General Supplies	11-000-263-610	36,400	(9,300)	27,100	12,554	14,546
Total Care & Upkeep of Grounds		62,900	-	62,900	35,064	27,836
Security:						
Purchased Professional & Technical Services	11-000-266-300	91,400	(7,279)	84,121	82,877	1,244
Cleaning, Repair & Maintenance Service	11-000-266-420	34,990	(7,917)	27,073	14,972	12,101
General Supplies	11-000-266-610	2,600	5,640	8,240	8,179	61
Other Objects	11-000-266-800	895	-	895	895	-
Total Security		129,885	(9,556)	120,329	106,923	13,406
Total Operation & Maintenance of Plant Services		2,902,532	(242,945)	2,659,587	2,381,549	278,038

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	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	(5,000)	15,000	15,000	-
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	40,000	(9,000)	31,000	27,180	3,820
Contracted Services (Between Home & School) - Vendors	11-000-270-512	24,620	(4,356)	20,264	11,619	8,645
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	-	56,982	56,982	28,063	28,919
Contracted Services (Special Education) - Vendors	11-000-270-514	-	12,379	12,379	12,185	194
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	360,000	(60,000)	300,000	240,656	59,344
Total Student Transportation Services		444,620	(8,995)	435,625	334,703	100,922
Personal Services - Employee Benefits:						
Social Security Contributions	11-000-291-220	296,000	-	296,000	208,804	87,196
Other Retirement Contributions - Regular	11-000-291-241	261,000	-	261,000	248,806	12,194
Unemployment Benefits	11-000-291-250	10,000	-	10,000	-	10,000
Workman's Compensation	11-000-291-260	170,000	(960)	169,040	140,322	28,718
Health Benefits	11-000-291-270	2,351,080	574,520	2,925,600	2,465,446	460,154
Tuition Reimbursement	11-000-291-280	20,000	52,200	72,200	57,423	14,777
Other Employee Benefits	11-000-291-290	268,300	5,560	273,860	214,993	58,867
Total Personal Services - Employee Benefits		3,376,380	631,320	4,007,700	3,335,794	671,906
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	776,341	(776,341)
On-Behalf TPAF Pension Contributions		-	-	-	3,322,802	(3,322,802)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,707	(1,707)
Reimbursed TPAF Social Security Contributions		-	-	-	708,189	(708,189)
Total Nonbudgeted		-	-	-	4,809,039	(4,809,039)
Total Undistributed Expenditures		12,926,834	405,395	13,332,229	16,261,835	(2,929,606)
Total Expenditures - Current Expense		22,285,090	48,091	22,333,181	24,263,577	(1,930,396)
Capital Outlay:						
Interest to Capital Reserve	10-604	2,000	-	2,000	-	2,000
Equipment:						
Regular Programs - Instruction: Maintenance Services	12-000-261-730	160,400	-	160,400	95,283	65,117
Custodial Services	12-000-262-730	-	9,600	9,600	9,600	-
Total Equipment		160,400	9,600	170,000	104,883	65,117

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	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	230,000	-	230,000	140,299	89,701
Construction Services Building	12-000-400-450	1,270,000	10,500	1,280,500	835,215	445,285
Assessment for Debt Service on SDA Funding	12-000-400-720	-	52,766	52,766	52,766	-
	12-000-400-896	13,277	-	13,277	13,277	-
Total Acquisition & Construction Services		1,513,277	63,266	1,576,543	1,041,557	534,986
Increase in Capital Reserve	10-604	100,000	-	100,000	-	100,000
Total Capital Outlay		1,775,677	72,866	1,848,543	1,146,440	702,103
Total Expenditures		24,060,767	120,957	24,181,724	25,410,017	(1,228,293)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(4,124,704)	(68,191)	(4,192,895)	92,045	4,284,940
Other Financing Sources/(Uses):						
Transfer to Debt Service	12-000-400-933	(100,000)	-	(100,000)	(100,000)	-
Transfer to Charter Schools	10-00-100-56X	(21,696)	21,696	-	-	-
Sources Over/(Under) Expenditures & Other Financing Uses		(4,246,400)	(46,495)	(4,292,895)	(7,955)	4,284,940
Fund Balances, July 1		11,202,763	-	11,202,763	11,202,763	-
Fund Balances, June 30		\$ 6,956,363	\$ (46,495)	\$ 6,909,868	\$ 11,194,808	\$ 4,284,940

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 46,495</u>
Total Budget Transfers	<u><u>\$ 46,495</u></u>

RECAPITULATION

Restricted Fund Balance:	
Reserve for Excess Surplus	\$ 2,000,000
Maintenance Reserve	762,382
Capital Reserve Account	4,886,346
Reserve for New Jersey Unemployment Fund	186,851
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	2,075,000
Assigned Fund Balance:	
Year-End Encumbrances	176,555
Unassigned Fund Balance	<u>1,107,674</u>
Subtotal	11,194,808
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,147,983)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 10,046,825</u></u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES:	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources		\$ 16,000	\$ 16,000	\$ 20,144	\$ 4,144
State Sources	1,471,510	381,389	1,852,899	1,131,929	(720,970)
Federal Sources	779,686	5,819,899	6,599,585	2,310,288	(4,289,297)
Total - Revenues	2,251,196	6,217,288	8,468,484	3,462,361	(5,006,123)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	746,206	1,419,585	2,165,791	1,017,652	1,148,139
Salaries of Aides	66,487	64,418	130,905	77,382	53,523
Professional Education Services	-	376,796	376,796	137,101	239,695
Other Purchased Services	10,665	255,635	266,300	44,611	221,689
General Supplies	303,954	1,530,274	1,834,228	709,433	1,124,795
Textbooks	-	8,343	8,343	7,908	435
Miscellaneous	337,982	52,752	390,734	384,437	6,297
Total Instruction	1,465,294	3,707,803	5,173,097	2,378,524	2,794,573
Support Services:					
Other Salaries	58,402	98,708	157,110	157,110	-
Purchased Technical Services	-	446,444	446,444	95,746	350,698
Purchased Educational Services	239,940	8,648	248,588	239,636	8,952
Other Employee Benefits	317,739	1,290,998	1,608,737	511,256	1,097,481
Other Purchased Services	5,000	56,675	61,675	16,318	45,357
Travel	20,500	12,445	32,945	13,049	19,896
Supplies & Materials	44,321	26,576	70,897	18,135	52,762
Student Activities	-	-	-	10,104	(10,104)
Total Support Services	685,902	1,940,494	2,626,396	1,061,354	1,565,042
Facilities Acquisition & Construction Services:					
Non-instructional Equipment	100,000	568,991	668,991	27,544	641,447
Total Facilities Acquisition & Construction Services	100,000	568,991	668,991	27,544	641,447
Total Expenditures	2,251,196	6,217,288	8,468,484	3,467,422	5,001,062
Total Outflows	2,251,196	6,217,288	8,468,484	3,467,422	5,001,062
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	-	-	\$ (5,061)	\$ (5,061)
Fund Balance, July 1				8,419	
Prior Period Adjustment				0	
Fund Balance, July 1 (Restated)				8,419	
Fund Balance, June 30				\$ 3,358	

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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, 2022**

**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)	\$ 25,502,062	\$ 3,462,361
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(140.00)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,075,273	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,147,983)	-
	\$ 25,429,352	\$ 3,462,221
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 25,429,352	\$ 3,462,221
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 25,410,017	\$ 3,467,422
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.	-	(140)
	-	(140)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)		
	\$ 25,410,017	\$ 3,467,282

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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 NINE FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.01986%	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)	\$ 2,352,273	\$ 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	1,499,751	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	156.84%	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	70.33%	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 NINE FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 232,540	\$ 211,619	\$ 184,205	\$ 203,265	\$ 188,055	\$ 195,906	\$ 195,114	\$ 177,045	\$ 172,525
Contributions in relation to the contractually required contribution	(232,540)	(211,619)	(184,205)	(203,265)	(188,055)	(195,906)	(195,114)	(177,045)	(172,525)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Districts covered-employee payroll	\$ 1,499,751	\$ 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	15.51%	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 NINE FISCAL YEARS***

	2022	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%	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	\$ 38,205,032	\$ 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	\$ 9,895,827	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	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 FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
District's Total OPEB Liability					
Service Cost	\$ 2,680,274	\$ 1,430,271	\$ 1,371,668	\$ 1,481,803	\$ 1,797,478
Interest Cost	1,411,754	1,390,535	1,701,689	1,843,702	1,602,068
Differences Between Expected and Actual Experiences	(10,578,460)	10,024,918	(6,850,594)	(4,655,118)	-
Changes of Assumptions	53,691	11,312,542	578,773	(4,954,233)	(6,676,316)
Contributions: Member	36,092	32,679	35,322	39,898	43,131
Gross Benefit Payments	(1,112,067)	(1,078,156)	(1,191,583)	(1,154,411)	(1,171,323)
Net Change in District's Total OPEB Liability	(7,508,716)	23,112,789	(4,354,725)	(7,398,359)	(4,404,962)
District's Total OPEB Liability (Beginning)	61,930,326	38,817,537	43,172,262	50,570,621	54,975,583
District's Total OPEB Liability (Ending)	<u>\$ 54,421,610</u>	<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	\$ 10,101,027	\$ 10,195,861	\$ 9,806,310	\$ 9,532,444
District's Net OPEB Liability as a Percentage of Payroll	519%	613%	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, 2022**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2020, to 7.00% as of June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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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, 2022**

	TITLE I	TITLE II	TITLE III	TITLE IV	CARES/ ESSER	IDEA - B	
	PART A	PART A	PART A	PART A		BASIC	PRESCHOOL
Revenues:							
Federal Sources	\$ 545,824	\$ 34,506	\$ 7,196	\$ 30,118	\$ 1,222,830	\$ 457,767	\$ 12,047
Total Revenues	545,824	34,506	7,196	30,118	1,222,830	457,767	12,047
Expenditures:							
Instruction:							
Salaries of Teachers	281,445	-	5,140	-	356,364	-	-
Professional Education Services	15,067	-	-	-	23,875	56,117	525
Tuition	-	-	-	-	-	369,242	11,522
General Supplies	34,206	2,706	-	18,905	621,217	6,807	-
Total Instruction	330,718	2,706	5,140	18,905	1,001,456	432,166	12,047
Support Services:							
Other Salaries	-	-	-	-	5,000	-	-
Purchased Technical Services	16,333	-	-	8,445	45,367	25,601	-
Other Employee Benefits	198,773	-	2,056	-	134,525	-	-
Other Purchased Services	-	22,120	-	-	25,860	-	-
Travel	-	9,680	-	1,818	1,551	-	-
Supplies & Materials	-	-	-	-	4,119	-	-
Miscellaneous	-	-	-	950	-	-	-
Total Support Services	215,106	31,800	2,056	11,213	216,422	25,601	-
Facilities Acquisition & Construction Services:							
Instructional Equipment	-	-	-	-	4,952	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	4,952	-	-
Total Expenditures	\$ 545,824	\$ 34,506	\$ 7,196	\$ 30,118	\$ 1,222,830	\$ 457,767	\$ 12,047

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	NONPUBLIC				CHAPTER 192 AUXILIARY SERVICES		PRESCHOOL EDUCATION EXPANSION AID
	TEXTBOOK	NURSING	SECURITY	TECHNOLOGY	COMPENSATORY EDUCATION	HOME INSTRUCTION	
Revenues:							
State Sources	\$ 7,908	\$ 15,568	\$ 4,657	\$ 5,838	\$ 44,611	\$ 1,280	\$ 1,020,349
Total Revenues	7,908	15,568	4,657	5,838	44,611	1,280	1,020,349
Expenditures:							
Instruction:							
Salaries of Teachers	-	-	-	-	-	-	374,703
Salaries of Aides	-	-	-	-	-	-	77,382
Professional Education Services	-	-	-	-	-	-	32,391
Purchased Professional & Technical Services	-	-	-	-	44,611	-	-
General Supplies	-	-	-	5,838	-	-	18,632
Textbooks	7,908	-	-	-	-	-	-
Tuition	-	-	-	-	-	1,280	-
Other Objects	-	-	-	-	-	-	1,443
Total Instruction	7,908	-	-	5,838	44,611	1,280	504,551
Support Services:							
Other Salaries	-	-	-	-	-	-	148,110
Other Employee Benefits	-	-	-	-	-	-	166,882
Purchased Educational Services	-	-	-	-	-	-	191,656
Other Purchased Services (400-500)	-	15,568	-	-	-	-	750
Supplies & Materials	-	-	4,657	-	-	-	8,400
Total Support Services	-	15,568	4,657	-	-	-	515,798
Total Expenditures	\$ 7,908	\$ 15,568	\$ 4,657	\$ 5,838	\$ 44,611	\$ 1,280	\$ 1,020,349

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	CHAPTER 193 HANDICAPPED SERVICES							
	CORRECTIVE SPEECH	EXAMINATION AND CLASSIFICATION	SDA EMERGENT & CAPITAL MAINTENANCE	BASF	SCHOOL HEALTH INSURANCE FUND	STUDENT ACTIVITIES	2022	
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ 5,122	\$ 9,979	\$ 5,043	\$ 20,144	
State Sources	5,499	3,627	22,592	-	-	-	1,131,929	
Federal Sources	-	-	-	-	-	-	2,310,288	
Total Revenues	5,499	3,627	22,592	5,122	9,979	5,043	3,462,361	
Expenditures:								
Instruction:								
Salaries of Teachers	-	-	-	-	-	-	1,017,652	
Salaries of Aides	-	-	-	-	-	-	77,382	
Purchased Professional & Educational Services	5,499	3,627	-	-	-	-	137,101	
Other Purchased Services	-	-	-	-	-	-	44,611	
General Supplies	-	-	-	1,122	-	-	709,433	
Textbooks	-	-	-	-	-	-	7,908	
Tuition	-	-	-	-	-	-	382,044	
Other Objects	-	-	-	-	-	-	1,443	
Total Instruction	5,499	3,627	-	1,122	-	-	2,377,574	
Support Services:								
Other Salaries	-	-	-	4,000	-	-	157,110	
Purchased Technical Services	-	-	-	-	-	-	95,746	
Purchased Educational Services	-	-	-	-	-	-	239,636	
Other Employee Benefits	-	-	-	-	9,020	-	511,256	
Other Purchased Services (400-500)	-	-	-	-	-	-	16,318	
Travel	-	-	-	-	-	-	13,049	
Supplies & Materials	-	-	-	-	959	-	18,135	
Miscellaneous	-	-	-	-	-	-	950	
Student Activities	-	-	-	-	-	10,104	10,104	
Total Support Services	-	-	-	4,000	9,979	10,104	1,062,304	
Facilities Acquisition & Construction Services:								
Facility Improvements	-	-	22,592	-	-	-	22,592	
Non-instructional Equipment	-	-	-	-	-	-	4,952	
Total Facilities Acquisition & Construction Services	-	-	22,592	-	-	-	27,544	
Total Expenditures	5,499	3,627	22,592	5,122	9,979	10,104	3,467,422	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(5,061)	(5,061)	
Fund Balance, July 1	-	-	-	-	-	8,419	8,419	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,358	\$ 3,358	

**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, 2022**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 374,724	\$ 374,703	\$ 21
Other Salaries for Instruction	77,382	77,382	-
Purchased Professional Services	32,391	32,391	-
Supplies	249,225	18,632	230,593
Other Objects	1,443	1,443	-
	<hr/>	<hr/>	<hr/>
Total Instruction	735,165	504,551	230,614
	<hr/>	<hr/>	<hr/>
Support Services:			
Other Salaries	151,310	148,110	3,200
Purchased Educational Services	239,940	191,656	48,284
Other Employee Benefits	221,006	166,882	54,124
Other Purchased Services	5,000	750	4,250
Travel	500	-	500
Supplies & Materials	18,589	8,400	10,189
	<hr/>	<hr/>	<hr/>
Total Support Services	636,345	515,798	120,547
	<hr/>	<hr/>	<hr/>
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	100,000	-	100,000
	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition & Construction Services	100,000	-	100,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 1,471,510	\$ 1,020,349	\$ 451,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 1,202,556
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	<u>516,007</u>
Total Preschool Education Aid Funds Available for 2021-2022 Budget	1,718,563
Less: 2021-2022 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<u>(1,471,510)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2022	247,053
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>451,161</u>
Total Actual Preschool Education Aid Carryover	<u>\$ 698,214</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>\$ 247,054</u>

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, 2022**

PROJECT TITLE/ISSUE	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2022
	APPROPRIATIONS	PRIOR YEARS	
Various Capital Improvements:			
Bond Proceeds	\$ 6,939,000	\$ 6,595,631	\$ 343,369
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	\$ 20,136,157	\$ 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, 2022**

Revenues & Other Financing Sources:	
Interest Earnings	\$ 368
Total Revenues	368
Expenditures & Other Financing Uses:	
Transfer to Debt Service	343,737
Total Expenditures	343,737
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(343,369)
Fund Balance - Beginning	343,369
Fund Balance - Ending	\$ -

**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, 2022**

	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
Transfer to Debt Service	-	7,799	7,799	-
Total Expenditures & Other Financing Uses	2,300,570	7,799	2,308,369	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, 2022**

	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
Transfer to Debt Service	-	5,150	5,150	-
Total Expenditures & Other Financing Uses	326,717	5,150	331,867	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
Transfer to Debt Service	-	13,669	13,669	-
Total Expenditures & Other Financing Uses	404,657	13,669	418,326	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, 2022**

	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
Transfer to Debt Service	-	52,861	52,861	-
Total Expenditures & Other Financing Uses	847,120	52,861	899,981	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, 2022**

	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
Transfer to Debt Service	-	30,054	30,054	-
Total Expenditures & Other Financing Uses	5,488,202	30,054	5,518,256	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, 2022**

	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	63,793	233,836	297,629	-
	<hr/>			
Total Expenditures & Other Financing Uses	7,639,317	233,836	7,936,946	7,655,937
<hr/>				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 297,629	\$ (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, 2022**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2021	ISSUED	RETIRED	REFUNDED	BALANCE JUNE 30, 2022
General Obligation Bonds	7/1/2015	\$ 6,939,000	07/01/2022	\$ 315,000	3.00%	\$ 5,584,000	\$ -	\$ 305,000	\$ 4,964,000	\$ 315,000
Refunding School Bonds-2021	10/13/2021	\$ 5,215,000	07/01/2022	75,000	0.50%	-	5,215,000	-	-	5,215,000
			07/01/2023	375,000	0.55%					
			07/01/2024	380,000	0.85%					
			07/01/2025	385,000	1.20%					
			07/01/2026	395,000	1.40%					
			07/01/2027	410,000	1.65%					
			07/01/2028	430,000	1.80%					
			07/01/2029	440,000	2.00%					
			07/01/2030	455,000	2.15%					
			07/01/2031	460,000	2.25%					
			07/01/2032	470,000	2.35%					
			07/01/2033	470,000	2.45%					
			07/01/2034	470,000	2.55%					
Total										\$ 5,530,000
Total										\$ 5,584,000
Total										\$ 5,215,000
Total										\$ 305,000
Total										\$ 4,964,000
Total										\$ 5,530,000

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LOANS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SERIES	DATE OF NOTE	TERM OF NOTE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST	AMOUNT OUTSTANDING JUNE 30, 2021	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2022
Duplicating Machines:								
Copiers	12/28/2017	5 Years	\$ 197,106	\$ 18,894	\$ 58,649	\$ -	\$ 41,078	\$ 17,571
Classroom Equipment								
Interactive Whiteboards	8/1/2018	5 Years	120,000	8,855	48,000	-	24,000	24,000
Classroom Equipment								
Interactive Whiteboards	9/1/2018	5 Years	220,000	12,794	132,000	-	44,000	88,000
Classroom Equipment								
Interactive Whiteboards	4/1/2020	5 Years	110,000	5,074	88,000	-	22,000	66,000
Total					\$ 326,649	\$ -	\$ 131,078	\$ 195,571

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 257,962	\$ -	\$ 257,962	\$ 257,962	\$ -
Interest	-	-	-	285	285
Total Revenues	257,962	-	257,962	258,247	285
Expenditures:					
Regular Debt Service:					
Principal	305,000	-	305,000	305,000	-
Interest	170,040	-	170,040	116,004	54,036
Expense of Refunding Bonds	-	-	-	95,597	(95,597)
Total Expenditures	475,040	-	475,040	516,601	(41,561)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(217,078)	-	(217,078)	(258,354)	(41,276)
Other Financing Sources/(Uses):					
Operating Transfers In	210,000	-	210,000	443,737	233,737
Proceeds of Refunding Bonds	-	-	-	5,215,000	5,215,000
Deposit to Refunding Escrow	-	-	-	(5,119,403)	(5,119,403)
Total Other Financing Sources/(Uses)	210,000	-	210,000	539,334	329,334
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(7,078)	-	(7,078)	280,980	288,058
Fund Balances July 1,	7,855	-	7,855	7,855	-
Fund Balances June 30,	\$ 777	\$ -	\$ 777	\$ 288,835	\$ 288,058

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	OUTSTANDING BALANCE 2021	ADDITIONS/ DEDUCTIONS	OUTSTANDING BALANCE 2022
Compensated Absences	\$ 632,387	\$ (19,336)	\$ 613,051

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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital,										
Assets										
Restricted										
Capital Projects	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069	-
Debt Service	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762	-	-
New Jersey Unemployment Fund	186,851	176,599	-	-	-	-	-	-	-	-
Student Activities	3,358	8,419	-	-	-	-	-	-	-	-
Other Purposes	4,837,382	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
Unrestricted	(4,320,478)	(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)
Total Governmental Activities	\$ 29,438,075	\$ 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
Net Position										
Business-Type Activities:										
Net Investment in Capital,										
Assets										
Unrestricted	117,787	131,148	8,966	8,966	8,566	17,271	25,947	31,008	42,161	53,572
Total Business-Type Activities	320,847	102,953	163,391	127,153	104,020	169,115	138,868	104,099	117,312	114,176
Net Position	\$ 438,634	\$ 234,101	\$ 172,357	\$ 136,119	\$ 112,586	\$ 186,386	\$ 164,815	\$ 135,107	\$ 159,473	\$ 167,748
Government-Wide:										
Net Investment in Capital,										
Assets										
Restricted:										
Capital Projects	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069	-
Debt Service	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762	-	-
New Jersey Unemployment	186,851	176,599	-	-	-	-	-	-	-	-
Student Activities	3,358	8,419	-	-	-	-	-	-	-	-
Other Purposes	4,837,382	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
Unrestricted	(3,999,631)	(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)
Total District Net Position	\$ 29,876,709	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,075,936	\$ 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
Special Education	2,640,018	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
Other Instruction	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399	447,418	450,180
Support Services & Undistributed Costs:										
Tuition	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089
Student & Instruction Related	3,434,171	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
General Administrative	435,783	501,277	443,119	458,771	413,852	379,281	340,412	353,946	372,782	386,050
School Administrative	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063	687,619	590,906
Central Services	598,534	568,775	557,810	517,673	502,389	506,466	466,135	448,173	418,467	-
Plant Operations & Maintenance	2,250,471	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
Pupil Transportation	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534	325,450	413,220
Unallocated Benefits	6,847,750	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
Changes in Long-Term Debt	342,443	188,886	287,936	225,921	311,642	277,390	305,584	118,547	(118,023)	269,082
Reduction of Capital Leases	831,852	925,786	872,633	793,058	707,170	647,006	440,877	255,799	132,723	(51,116)
Unallocated Depreciation	-	-	-	279,998	-	-	-	-	-	-
Capital Asset Adjustments	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	27,449,449	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
Expense	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455	523,025	500,447
Total Business-Type Activities	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455	523,025	500,447
Expense	28,060,399	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
Total District Expenses	\$ 7,650,226	\$ 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
Program Revenues:										
Governmental Activities:										
Operating Grants &	11,818	5,742	99,337	122,043	130,749	118,697	125,126	137,893	157,605	157,605
Contributions	803,413	201,839	365,827	413,004	433,151	406,867	398,279	347,101	338,960	338,960
Total Governmental Activities	815,231	207,581	465,164	535,047	563,900	525,564	523,405	484,994	496,565	496,565
Program Revenues	8,465,457	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
Total District Program Revenues	\$ (19,799,223)	\$ (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)
Net (Expense)/Revenue:	204,281	(46,839)	33,322	20,291	(75,747)	20,987	29,525	(24,461)	(26,460)	(3,882)
Governmental Activities										
Business-Type Activities										

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Government-Wide Net Expense	\$ (19,594,942)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for	\$ 8,811,610	\$ 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
General Purposes, Net	11,757,354	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
Unrestricted Grants & Contributions	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608	5,800	3,585
Investment Earnings	307,311	347,931	717,419	515,937	492,265	426,076	288,937	208,059	584,675	346,868
Miscellaneous Income	-	(222,529)	-	-	-	-	-	-	-	-
Gain/Loss on Capital Assets	-	-	-	-	-	-	-	-	-	-
Loss on Bond Refunding	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	20,878,928	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
Business-Type Activities:										
Investment Earnings	252	261	2,916	3,242	1,947	584	183	95	108	106
Adjustment to Capital Assets	-	108,322	-	-	-	-	-	-	5,921	(6,792)
Total Business-Type Activities	252	108,583	2,916	3,242	1,947	584	183	95	6,029	(6,686)
Total Government-Wide	\$ 20,879,180	\$ 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
Change in Net Position:										
Governmental Activities	\$ 1,079,705	\$ (823,282)	\$ 1,518,696	\$ 504,242	\$ 1,122,064	\$ 44,243	\$ 7,150,203	\$ 2,813,262	\$ 2,246,883	\$ 1,901,191
Business-Type Activities	204,533	61,744	36,238	23,533	(73,800)	21,571	29,708	(24,366)	(20,431)	(10,568)
Total District	\$ 1,284,238	\$ (761,538)	\$ 1,554,934	\$ 527,775	\$ 1,048,264	\$ 65,814	\$ 7,179,911	\$ 2,788,896	\$ 2,226,452	\$ 1,890,623

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted for:										
Capital Reserve	\$ 4,886,346	\$ 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
Emergency Reserve	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Maintenance Reserve	762,382	908,782	962,782	651,782	965,782	965,782	965,782	865,782	978,607	1,013,607
New Jersey Unemployment Fund	186,851	176,599	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-
Excess Surplus	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000	1,576,195
Excess Surplus - Designated for Subsequent Year's Expenditures	-	-	-	-	-	-	-	-	-	-
Other Purposes Designated for Subsequent Year's Expenditures	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000	630,593	503,987
Assigned to:										
Other Purposes Designated for Subsequent Year's Expenditures	176,555	46,495	162,713	-	-	-	-	-	-	-
Unassigned	(40,309)	(131,818)	(621,021)	(288,504)	(315,906)	(368,193)	(356,354)	(43,660)	(439,172)	(1,056,580)
Total General Fund	\$ 10,046,825	\$ 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
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	\$ 3,358	\$ 8,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	288,835	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	\$ 292,193	\$ 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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Tax Levy	\$ 8,811,610	\$ 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
Tuition Changes	215,502	285,998	544,287	377,752	204,659	243,834	141,226	162,954	314,831	272,924
Transportation	-	27,748	-	-	-	-	-	-	-	-
Interest Earnings	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608	5,800	3,585
Miscellaneous	111,953	38,534	178,945	146,958	287,606	128,480	140,479	45,105	269,844	73,944
State Sources	17,663,347	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
Federal Sources	2,345,123	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
Total Revenue	29,150,188	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
Expenditures:										
Instruction:										
Regular Instruction	7,075,936	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
Special Education Instruction	2,640,018	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
Other Special Instruction	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399	447,418	450,180
Support Services & Undistributed Costs:										
Tuition	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391	1,365,089
Student & Instruction Related Services	3,434,171	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
School Administrative Services	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063	687,619	590,906
General Administrative Services	1,034,317	1,070,052	1,000,929	976,444	916,241	885,747	806,547	788,842	769,153	790,659
Plant Operations & Maintenance	2,381,549	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
Pupil Transportation	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534	325,450	317,491
Unallocated Benefits	8,144,833	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
Interest & Other Charges	224,878	193,526	201,167	212,644	326,400	241,582	322,898	-	-	-
Capital Outlay	1,160,707	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
Debt Service:										
Principal	305,000	300,000	285,000	275,000	255,000	240,000	-	-	-	-
Total Expenditures	29,393,900	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(243,712)	284,026	1,063,017	(980,448)	947,114	(1,584,652)	(2,358,432)	22,868	358,686	955,050
Other Financing Sources/(Uses):										
Capital Leases	-	-	110,000	313,926	-	-	-	-	284,171	-
Bond Proceeds	95,597	-	-	-	-	-	-	6,800,220	-	-
Transfers In/(Out)	-	-	-	-	-	53,762	7,232	-	-	-
Total Other Financing Sources/(Uses)	95,597	-	110,000	313,926	-	53,762	7,232	6,800,220	284,171	-
Net Change in Fund Balances	\$ (148,115)	\$ 284,026	\$ 1,173,017	\$ (666,522)	\$ 947,114	\$ (1,530,890)	\$ (2,351,200)	\$ 6,823,088	\$ 642,857	\$ 955,050
Debt Service as a Percentage of Noncapital Expenditures	1.08%	1.21%	1.24%	1.20%	1.19%	1.15%	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
2022	\$ -	\$ 2,000	\$ 215,502	\$ -	\$ 91,809	\$ 309,311
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

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL INDUSTRIAL	APARTMENT	TOTAL ASSESSED TAXABLE	(a) PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	(b) TOTAL DIRECT SCHOOL RATE	COUNTY EQUALIZED VALUE
2022	\$10,509,000	\$ 512,659,500	N/A	\$ 7,100	\$ 92,324,200	\$ 7,831,800	\$ 22,629,500	\$ 5,710,750	\$651,671,850	\$315,432,700	1.337	\$652,136,150
2021	10,063,000	513,562,100	N/A	7,100	93,440,300	7,831,800	22,060,000	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	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	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	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	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	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	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	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	7,547,722	657,220,222	287,734,300	1.092	633,441,106

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	
	TAX RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF MOUNT HOLLY	REGIONAL SCHOOL DISTRICT	FIRE DISTRICT		BURLINGTON COUNTY
2022	1.337	-	1.337	0.866	0.044	0.187	0.346	2.780
2021	1.338	-	1.338	0.837	0.427	0.177	0.353	3.132
2020	1.328	-	1.328	0.822	0.413	0.096	0.350	3.009
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	2.886
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

Source: Municipal Tax Collector

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

TAXPAYER	2022		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Virtua Memorial Hospital	13,317,600	1	2.04%
Levine Properties LLC	12,967,000	2	1.99%
Mount Holly Associates	10,576,100	3	1.62%
Verizon Property Tax Dept	7,877,600	4	1.21%
Mount Holly Equities	6,494,400	5	1.00%
Alaimo, Richard A	4,179,300	6	0.64%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
Public Storage Inc	2,349,700	8	0.36%
ANCDI Properties, LLC	2,202,100	9	0.34%
FRIA Properties, LLC	1,898,600	10	0.29%
Total	<u>\$ 65,467,600</u>		<u>10.04%</u>

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Levine Properties, LLC	12,967,000	1	1.97%
Mount Holly Associates	11,675,000	2	1.78%
Verizon Property Tax Department	9,714,622	3	1.48%
Virtua Memorial Hospital	6,907,800	4	1.05%
Mount Holly Equities	6,025,800	5	0.92%
Richard A. Alaimo	4,000,200	6	0.61%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
K&S 100, LLC	2,609,500	8	0.40%
Baird, LLC % Marvin F. Poer	2,349,700	9	0.36%
Public Storage Inc.	1,976,600	10	0.30%
	<u>\$ 61,831,422</u>		<u>9.42%</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	
2022	\$ 8,811,610	\$ 8,811,610	100.00%	-
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%	-

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	LOANS PAYABLE			
2022	\$ 5,530,000	\$ 195,571	\$ 5,725,571	N/A	N/A
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	0.050%	27
2013	-	-	-	-	-

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		
2022	\$ 5,530,000	\$ -	\$ 5,530,000	0.85%	N/A
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	6,939,000.00	-	6,939,000.00	0.01	726.52
2014	-	-	-	-	-
2013	-	-	-	-	-

- 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, 2022

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 14,931,300	100.000%	\$ 14,931,300
Rancocas Valley Regional High School	28,245,000	13.879%	3,920,091
Burlington County General Obligation Debt	633,405,058	1.396%	8,843,280
Subtotal, Overlapping Debt Mount Holly School District			27,694,671 5,530,000
Total Direct & Overlapping Debt			\$ 33,224,671

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 22,989,609	\$ 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
Total Net Debt Applicable to Limit	5,530,000	5,584,000	5,884,000	6,169,000	6,444,000	6,699,000	6,939,000	6,939,000	-	-
Legal Debt Margin	\$ 17,459,609	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.05%	24.89%	31.91%	33.56%	3.57%	34.50%	35.56%	35.44%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis
2021	\$ 663,357,550
2020	\$ 662,978,437
2019	644,201,901
	<u>\$ 1,970,537,888</u>
Average Equalized Valuation of Taxable Property	<u>\$ 656,845,963</u>
Debt Limit (3.5% of Average Equalization Value)	\$ 19,705,379
Net Bonded School Debt	<u>5,530,000</u>
Legal Debt Margin	<u>\$ 14,175,379</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
2022	N/A	N/A	N/A	7.4%
2021	9,977	N/A	N/A	5.0%
2020	9,525	N/A	67,154	4.7%
2019	9,551	593,867,200	62,120	5.5%
2018	9,561	569,837,455	59,389	4.2%
2017	9,594	553,685,358	57,802	4.5%
2016	9,578	537,358,362	56,262	7.0%
2015	9,548	510,881,280	53,760	8.5%
2014	9,500	483,233,542	51,622	10.8%
2013	9,361	480,099,158	51,107	14.3%

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	53	51	49	47	49	52	54	55	69	66
Special Education	29	21	20	15	15	13	16	20	28	30
Other Special Education	9	10	10	10	11	11	11	11	16	15
Other Instruction	23	20	21	19	18	17	15	11	11	11
Support Services:										
Student & Instruction Related Services	16	17	16	17	13	14	13	9	9	8
School Administrative Services	17	16	12	13	14	13	14	14	13	13
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	14	13	14	14	13	12	16	13	16	15
Total	167	154	148	141	139	138	145	139	168	164

Source: District Personnel Records

MOUNT HOLLY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	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				
2022	1,040	\$ 20,512,118	\$ 19,723	-7.81%	106	1-9.13	1-9.13	1,065	983	2.80%	92.30%
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%

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	292	276	342	403	374	371	349	354	388	390
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	310	324	312	321	309	314	325	351	315	328
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	439	410	424	340	352	312	310	272	317	322
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 FACILITES	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
John Brainerd School	\$ 68,900	\$ 69,949	\$ 35,694	\$ 136,723	\$ 41,699	\$ 42,099	\$ 24,565	\$ 48,390	\$ 30,115	\$ 28,231
Gertrude Folwell School	132,275	58,551	61,772	181,044	36,039	33,639	34,063	75,722	56,359	46,045
F.W. Holbein Schools	176,791	78,321	84,118	254,438	44,020	51,608	60,880	62,437	63,460	47,284
Total School Facilities	\$ 377,966	\$ 206,822	\$ 181,584	\$ 572,205	\$ 121,758	\$ 127,346	\$ 119,508	\$ 186,549	\$ 149,934	\$ 121,560

* 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, 2022**

	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, 2022, 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 13, 2023.

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

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on 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 one instance 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 and are described in the accompanying schedule of findings and questioned costs as Finding 2022-001.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 13, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal and State Program

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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

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

Medford, New Jersey
February 13, 2023

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	ADJUSTMENTS RECEIVABLE	BALANCE AT JUNE 30, 2022	
											(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)	10.555	22NJ04N1099	Unavailable	\$ 47,146	7/1/21-6/30/22	\$ -	\$ 47,146	\$ (40,957)	\$ -	\$ -	\$ -	\$ 6,189
COVID-19 Food Distribution Program (Noncash Assistance)	10.555	22NJ04N1099	Unavailable	18,798	7/1/20-6/30/21	9,877	-	(9,877)	-	-	-	-
COVID-19 Emergency Operating Costs	10.555	22NJ04N1099	100-010-3350-112	33,315	7/1/21-6/30/22	-	33,315	(33,315)	-	-	-	-
COVID-19 National School Lunch Program	10.555	22NJ04N1099	100-010-3350-026	593,388	7/1/21-6/30/22	-	551,339	(593,388)	-	-	(42,049)	-
COVID-19 National School Lunch Program	10.555	21NJ04N1099	100-010-3350-026	128,898	7/1/20-6/30/21	(10,268)	10,268	-	-	-	-	-
COVID-19 Healthy Hungry Kids Act - Prior Year	10.555	21NJ04N1099	100-010-3350-026	2,556	(204)	(204)	204	-	-	-	-	-
COVID-19 After School Snack Program	10.555	21NJ04N1099	100-010-3350-026	1,081	7/1/20-6/30/21	(253)	253	-	-	-	-	-
Subtotal				642,525	(677,537)	(848)	642,525	(677,537)	-	-	(42,049)	6,189
COVID-19 National Breakfast Program	10.553	22NJ04N1099	100-010-3350-028	110,295	7/1/21-6/30/22	(1,320)	1,320	(110,295)	-	-	(8,518)	-
COVID-19 National Breakfast Program	10.553	21NJ04N1099	100-010-3350-028	43,460	7/1/20-6/30/21	(1,320)	1,320	(110,295)	-	-	(8,518)	-
Subtotal				153,755	-	(2,640)	153,755	(220,590)	-	-	(16,936)	-
Total Child Nutrition Cluster				1,242	7/1/21-6/30/22	-	1,242	(1,242)	-	-	-	-
Pandemic EBT Administrative Costs	10.649	202121S900941	100-010-3350-115	1,242	7/1/21-6/30/22	-	1,242	(1,242)	-	-	-	-
Total U.S. Department of Agriculture						(2,168)	746,864	(789,074)	-	-	(50,567)	6,189
U.S. Department of Education												
Pass Through New Jersey Department of Education:												
Title I - Part A - Current Year												
Title I - Part A - Prior Year	84.010	S010A210030	100-034-5064-194	397,135	7/1/21-9/30/22	-	216,042	(372,334)	-	1,190	(155,102)	-
Title I - Part A - Prior Year	84.010	S010A200030	100-034-5064-194	464,353	7/1/20-9/30/21	(71,197)	244,687	(173,490)	-	-	-	-
Subtotal				861,488	-	(71,197)	460,729	(545,824)	-	1,190	(155,102)	-
Title II - Part A - Current Year	84.367A	S367A210029	100-034-5063-290	50,357	7/1/21-9/30/22	-	11,380	(34,506)	-	(3,266)	(26,392)	-
Title II - Part A - Prior Year	84.367A	S367A200029	100-034-5063-290	50,831	7/1/20-9/30/21	(1,048)	1,048	-	-	-	-	-
Subtotal				101,188	-	(1,048)	12,428	(34,506)	-	(3,266)	(26,392)	-
Title III	84.365	S365A200009	100-034-5064-187	32,337	7/1/20-9/30/21	(7,687)	9,587	(7,196)	-	(99)	(5,395)	-
Subtotal				32,337	-	(7,687)	9,587	(7,196)	-	(99)	(5,395)	-
Title IV - Part A - Current Year	84.424	S424A210031	100-034-5069-031	31,929	7/1/21-9/30/22	-	28,217	(30,118)	-	-	(1,901)	-
Subtotal				31,929	-	-	28,217	(30,118)	-	-	(1,901)	-
COVID-19 CARES Emergency Relief Grant	84.425D	S425D210027	100-034-5120-518	350,198	3/13/20-9/30/23	(31,257)	150,017	(118,760)	-	-	-	-
COVID-19 CRSSA ESSER II	84.425D	S425D210027	100-034-5120-518	1,453,738	3/13/20-9/30/23	-	815,481	(1,019,969)	-	-	(204,488)	-
COVID-19 CRSSA Learning Acceleration	84.425D	S425D210027	100-034-5120-518	92,010	3/13/20-9/30/23	-	3,822	(15,943)	-	-	(12,121)	-
COVID-19 CRSSA Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	-	4,799	(5,950)	-	-	(1,151)	-
COVID-19 Addressing Student Learning Loss Comp	84.425D	S425D210027	100-034-5120-518	156,425	4/1/21-8/31/22	(31,257)	61,410	(62,208)	-	-	(798)	-
Subtotal				1,703,376	-	(62,514)	1,035,529	(1,222,830)	-	-	(218,558)	-
I.D.E.A. Part B (Special Education Cluster)												
Basic - Current Year	84.027	H027A210100	100-034-5065-016	394,674	7/1/21-9/30/22	-	389,184	(396,674)	-	-	(7,490)	-
Basic - Prior Year	84.027	H027A200100	100-034-5065-016	410,984	7/1/20-9/30/21	(3,969)	395,153	(396,674)	-	-	(7,490)	-
Subtotal				805,658	-	(7,938)	784,337	(793,348)	-	-	(14,980)	-
ARP Basic - Current Year	84.027X	H027X210100	100-034-5065-094	61,093	7/1/21-9/30/22	-	61,093	(61,093)	-	-	-	-
Preschool - Current Year	84.173	H173A210114	100-034-5065-020	11,522	7/1/21-9/30/22	-	11,522	(11,522)	-	-	-	-
ARP Preschool - Current Year	84.173X	H173X210114	100-034-5065-095	5,188	7/1/21-9/30/22	-	5,188	(525)	-	-	-	4,663
Total Special Education Cluster				933,477	-	(11,522)	938,324	(965,114)	-	-	(7,490)	4,663
Total Department of Education						(115,158)	2,017,446	(2,310,288)	-	(2,175)	(414,838)	4,663
U.S. Department of Health and Human Services												
Pass Through New Jersey Department of Human Services:												
Medical Assistance Program (SEMI)												
Total U.S. Department of Health and Human Services	93.778	2205NJSMAP	100-054-7540-211	34,835	7/1/21-6/30/22	-	34,835	(34,835)	-	-	-	-
Subtotal				34,835	-	-	34,835	(34,835)	-	-	-	-
Total U.S. Department of Health and Human Services						(115,158)	2,052,281	(2,345,123)	-	(2,175)	(414,838)	4,663
Total Federal Financial Assistance						(117,526)	2,799,145	(3,134,197)	-	(2,175)	(465,405)	10,852

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, 2022

GRANTOR STATE PROJECT NUMBER	STATE GRANTOR/ PROGRAM TITLE	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022		MEMO CUMULATIVE TOTAL EXPENDITURES	
									UNEARNED REVENUE	DUE TO GRANTOR		
State Department of Education:												
General Fund:												
495-034-5120-078	Equitization Aid	7/1/21-6/30/22	\$9,073,168	\$ -	\$ 9,073,168	\$ (9,073,168)	\$ -	\$ -	\$ -	\$ -	\$ 831,797	\$ 9,073,168
495-034-5120-085	Adjustment Aid	7/1/21-6/30/22	1,025,803	-	1,025,803	(1,025,803)	-	-	-	-	94,042	1,025,803
495-034-5120-084	Categorical Security Aid	7/1/21-6/30/22	337,977	-	337,977	(337,977)	-	-	-	-	30,985	337,977
495-034-5120-089	Categorical Special Education Aid	7/1/21-6/30/22	755,237	-	755,237	(755,237)	-	-	-	-	69,238	755,237
	Total State Aid Public		11,192,185	(11,192,185)	-	-	-	-	-	-	1,026,062	11,192,185
495-034-5120-014	Categorical Transportation Aid	7/1/21-6/30/22	127,355	-	127,355	(127,355)	-	-	-	-	11,675	127,355
	Reimbursement of Nonpublic Transportation		6,960	-	-	(6,960)	-	-	-	-	-	6,960
	Reimbursement of Nonpublic Transportation		6,380	(6,380)	6,380	-	-	-	-	-	-	-
495-034-5120-044	Extraordinary Aid	7/1/21-6/30/22	289,175	-	-	-	-	-	-	-	-	289,175
495-034-5120-044	Homeless Tuition Aid	7/1/21-6/30/22	179,120	(179,120)	179,120	-	-	-	-	-	-	-
495-034-5120-044	Homeless Tuition Aid	7/1/21-6/30/22	126,788	-	-	(126,788)	-	-	-	-	-	126,788
495-034-5120-005	Homeless Tuition Aid	7/1/21-6/30/22	79,562	(79,562)	79,562	-	-	-	-	-	-	-
	Securing Our Children's Future Bond Act		52,766	-	52,766	(52,766)	-	-	-	-	-	52,766
	Reimbursed TPAF Social Security Contributions (Nonbudgeted)		708,189	-	708,189	(708,189)	-	-	-	-	-	708,189
	Noncash Assistance:											
	On-Behalf Post Retirement Long Term Disability Insurance Contributions		1,707	-	1,707	(1,707)	-	-	-	-	-	1,707
	On-Behalf Post Retirement Pension Contributions		3,322,802	-	3,322,802	(3,322,802)	-	-	-	-	-	3,322,802
	On-Behalf Post Retirement Medical Contributions		776,341	-	776,341	(776,341)	-	-	-	-	-	776,341
	Total General Fund		16,411,805	(16,604,268)	(457,525)	-	-	-	-	-	1,037,737	16,604,268
Special Revenue Fund:												
	New Jersey Nonpublic Aid											
100-034-5120-064	Textbook Aid	7/1/21-6/30/22	8,343	-	8,343	(7,908)	-	-	-	-	435	7,908
100-034-5120-064	Textbook Aid	7/1/21-6/30/22	7,758	1,579	-	(1,579)	-	-	-	-	-	-
100-034-5120-070	Nursing Aid	7/1/21-6/30/22	15,568	-	15,568	(15,568)	-	-	-	-	-	15,568
100-034-5120-373	Technology Aid	7/1/21-6/30/22	5,838	-	5,838	(5,838)	-	-	-	-	-	5,838
100-034-5120-509	Security Aid	7/1/21-6/30/22	24,325	-	24,325	(4,657)	-	-	-	19,668	-	4,657
100-034-5120-509	Security Aid	7/1/21-6/30/22	22,225	-	-	(22,225)	-	-	-	-	-	-
100-034-5120-510	Security Aid	7/1/19-6/30/20	21,900	529	-	(529)	-	-	-	-	-	-
	Auxiliary Services:											
100-034-5120-067	Compensatory Education	7/1/21-6/30/22	44,611	-	44,611	(44,611)	-	-	-	-	-	44,611
100-034-5120-067	Compensatory Education	7/1/20-6/30/21	33,965	2,700	-	(2,700)	-	-	-	-	-	-
	Handicapped Services:											
100-034-5120-066	Examination & Classification	7/1/21-6/30/22	8,151	-	6,108	(5,499)	-	-	-	609	-	5,499
100-034-5120-066	Examination & Classification	7/1/20-6/30/21	9,295	578	-	(578)	-	-	-	-	-	-
100-034-5120-067	Corrective Speech	7/1/21-6/30/22	3,627	5,670	-	(3,627)	-	-	-	2,043	-	3,627
100-034-5120-067	Corrective Speech	7/1/20-6/30/21	3,098	903	-	(903)	-	-	-	-	-	-
	Homeless Tuition		1,280	-	-	(1,280)	-	-	-	-	-	1,280
	NISDA Emergent and Capital Maintenance		22,592	-	22,592	(22,592)	-	-	-	-	-	22,592
	Preschool Education Aid		1,202,556	-	1,202,556	(504,342)	-	-	-	698,214	-	504,342
	Preschool Education Aid		1,172,580	516,007	-	(516,007)	-	-	-	-	-	516,007
	Total Special Revenue Fund		13,335,611	(1,131,929)	(28,514)	(1,280)	698,214	22,755	110,246	1,131,929	1,147,983	17,750,536
Enterprise Fund:												
100-010-3360-067	State School Lunch Program	7/1/21-6/30/22	14,339	-	14,339	(14,339)	-	-	-	-	-	14,339
100-010-3360-067	State School Lunch Program	7/1/20-6/30/21	6,526	(742)	742	-	-	(949)	-	-	-	-
	Total Enterprise Fund		20,865	(742)	14,132	(14,339)	(949)	-	-	-	-	14,339
	Total State Financial Assistance		278,717	(17,761,548)	(17,780,516)	698,214	22,755	1,147,983	1,147,983	1,147,983	1,147,983	17,750,536
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
	On-Behalf Post Retirement Long Term Disability Insurance Contributions		1,707	-	-	-	-	-	-	-	-	1,707
	On-Behalf Post Retirement Pension Contributions		3,322,802	-	-	-	-	-	-	-	-	3,322,802
	On-Behalf Post Retirement Medical Contributions		776,341	-	-	-	-	-	-	-	-	776,341
	Total State Financial Assistance subject to Calculation for Major Program Determination		(13,649,686)	-	-	-	-	-	-	-	-	(13,649,686)

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, 2022**

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, 2022. 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, 2022.

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, 2022**

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 \$(72,710) for the general fund and \$(140) 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	\$ 34,835	\$ 16,531,558	\$ 16,566,393
Special Revenue Fund	2,310,288	1,131,789	3,442,077
Food Service Fund	<u>789,074</u>	<u>14,339</u>	<u>803,413</u>
Total Awards & Financial Assistance	<u>\$ 3,134,197</u>	<u>\$ 17,677,686</u>	<u>\$ 20,811,883</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, 2022.

Note 6. Adjustment to Schedule of Expenditures of State Financial Assistance

The adjustment to Preschool Aid in the Schedule of Expenditures of State Financial Assistance represents a revision in unearned revenue recorded as of the year ended June 30, 2022.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

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

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

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? X yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>COVID-19 Cares Emergency Relief Grant</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>COVID-19 CRRSA ESSER II</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>COVID-19 CRRSA Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>COVID-19 CRSSA Mental Health</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>COVID-19 CRSSA Addressing Student Learning Loss Comp</u>
<u>10.555 & 10.553</u>	<u>22NJ304N1099</u>	<u>Child Nutrition Program Cluster</u>

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Internal control over major programs:		
1) Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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, 2022**

Section II – Financial Statement Findings

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

Finding 2022-001:

Criteria or Specific Requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the U.S.A. net cash resources calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$123,089 as of June 30, 2022.

Effect or Potential Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

Due to the Public Health Emergency, all meals provided were eligible for reimbursement, causing a significant increase in revenues for the District.

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of responsible officials and planned corrective action:

Management agrees with the above finding and will take necessary corrective action.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

FEDERAL AWARDS

Finding 2022-001:

Criteria or Specific Requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Questioned Costs:

None.

Context:

Utilizing the U.S.D.A. net cash resources calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$123,089 as of June 30, 2022.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

Due to the Public Health Emergency, all meals provided were eligible for reimbursement, causing a significant increase in revenues for the District.

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of responsible officials and planned corrective action:

Management agrees with the above finding and will take necessary corrective action.

STATE FINANCIAL ASSISTANCE – N/A

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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