

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

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

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INTRODUCTORY SECTION

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331 Levis Drive
Mount Holly, NJ 08060

School Business Administrator
Board Secretary

December 12, 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, 2023, 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, 2023, 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.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,140	9.62%
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%

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

After honest and thoughtful reflection, we have determined we need to reset how Mount Holly School District defines our mission and reframe our vision for teaching and learning. We need to focus on the well-being of our students and devote ourselves to the work that makes safe learning environments for our students. As we review data, there is evidence that we are not connecting with our students, especially economically disadvantaged and non-white students.

Economically disadvantaged (ED) students are likelier to be chronically absent than non-economically disadvantaged students. Twenty-five percent of our 658 economically disadvantaged students are chronically absent from school, and our school district's average chronic absenteeism rate is about 24%. We plan to decrease the number of ED students that are chronically absent. We intend to accomplish this by continuously analyzing attendance data, engaging the community to educate and raise awareness of the positive effects of good attendance,

creating an environment that makes students feel like they belong, and professionally developing our teachers on strategies that promote better attendance. According to Attendance Works, analyzing attendance data helps identify patterns and trends, enabling schools to target interventions. Establishing a collaborative team to explore this data will encourage data-driven decision-making focused on the economically disadvantaged subgroup. This data will also serve as the base of all learning opportunities for our parent and staff stakeholders. The strategies included in our initiatives provide varied opportunities for stakeholders to learn more about absenteeism rates and the positive and negative effects of attendance on student progress.

The focus we have on our parent engagement is vital to the accomplishment of our goals. Bolstering our parent-school relationship hinges on our communication with families. The Harvard Graduate School of Education emphasizes the significance of regular contact with parents and ongoing follow-up to address absenteeism effectively. To meet the diverse needs of our family stakeholders, we must develop community partnerships that serve as stewards of our mission to support positive school attendance. A study published in the Journal of Children & Poverty found that collaborative efforts with community partners led to improved attendance and reduced chronic absenteeism rates. Throughout this process of decreasing the absenteeism rate of ED students, we will take steps to better our school environment. Those steps will be led by professional development (PD) for our staff and promoting PBIS and MTSS in our schools. Our staff will be trained on diversity, equity, and belonging design and skills to promote the most conducive learning environment for our all of students.

The totality of our projects focus on distinct pillars that we see positively affect student achievement, especially for economically disadvantaged students and students of color. The pillars are Parent engagement, building stakeholder capacity, data utilization, and trauma-informed practices. Accomplishing our goals will:

- Improved Academic Performance
- Increased Student Engagement
- Enhanced School Climate
- Build Stronger Parent-School Partnerships
- Reduced Disparities and Promoting Equity
- Enhanced Teacher Practices
- Increased Social and Emotional Well-being

These efforts can create a more inclusive, supportive, and nurturing educational environment, benefiting all students' academic and personal development, particularly those who are economically disadvantaged or belong to non-white racial or ethnic groups.

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

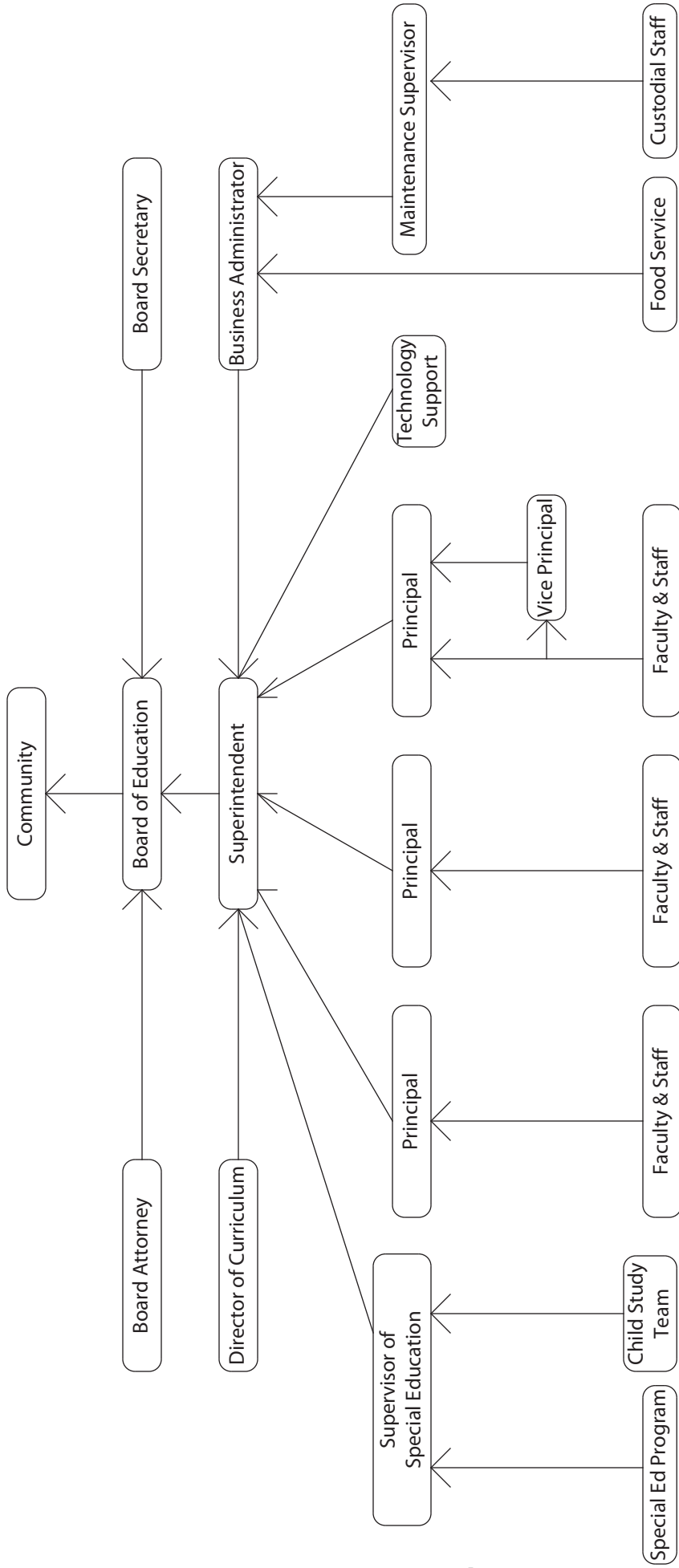


Evon DiGangi,
Business Administrator/Board Secretary

MOUNT HOLLY SCHOOL DISTRICT

Organizational Chart

(Unit Control)



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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Janet DiFolco, President	2024
Jennifer Mushinsky, Vice President	2025
Stephanie Allen	2023
Janene Ciotti	2024
Briana Banks	2023

OTHER OFFICIALS

Robert Mungo, Superintendent

Ms. Evon DiGangi, Business Administrator/Board Secretary

Brett Gorman Esq., Solicitor

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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Parker McCay
9000 Midlantic Dr, #300
Mt. Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Citizens Bank
Mount Holly, New Jersey

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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, 2023, 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, 2023, 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 provided 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 Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. 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 December 12, 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
December 12, 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, 2023
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, 2023. 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 (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ⇒ Total assets and deferred outflows of resources increased by \$428,105 as cash and cash equivalents decreased by \$1,337,195, receivables increased by \$866,756, net capital assets decreased by \$430,232 and Deferred Outflows Related to Pensions increased by \$77,641.
- ⇒ General Fund revenues accounted for \$27,417,431 in revenue, or 88 percent of all revenues. Special revenues in the form of Local, State, and Federal grants, accounted for \$3,704,521 or 12 percent of all revenues. Debt service in the form of tax levy and interest, accounted for \$169,908 or 1 percent of all revenues. Total revenues were \$31,291,860.
- ⇒ The School District's governmental funds had a combined \$30,515,193 in total expenditures; \$13,408,365 of which represents salaries for the district or approximately 44% of expenditures for the fiscal year ending June 30, 2023.
- ⇒ The Food Service Enterprise Fund had an increase in net position of \$99,298 in 2023 compared to an increase of \$204,533 in 2022.
- ⇒ The total Fund Balance per Governmental funds was \$11,115,685.

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, 2023
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 2023?" 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, 2023
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 2023 and 2022.

The District's combined net position was \$31,402,091 on June 30, 2023. This was an increase of 4.86% from the prior year.

	TABLE I - NET POSITION			
	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
ASSETS				
Current Assets	\$ 12,277,848	\$ 11,478,337	\$ 391,460	\$ 332,634
Capital Assets, Net	28,811,175	29,281,352	157,732	117,787
Total Assets	41,089,023	40,759,689	549,192	450,421
Deferred Outflows of Resources	531,884	454,243	-	-
Total Assets and Deferred Outflows of Resources	\$ 41,620,907	\$ 41,213,932	\$ 549,192	\$ 450,421
LIABILITIES				
Current Liabilities	\$ 1,770,306	\$ 1,433,663	\$ 11,260	\$ 11,787
Noncurrent Liabilities	8,436,343	8,690,895	-	-
Total Liabilities	10,206,649	10,124,558	11,260	11,787
Deferred Inflows of Resources	550,099	1,651,299	-	-
Total Liabilities and Deferred Inflows of Resources	10,756,748	11,775,857	11,260	11,787
NET POSITION				
Net Investment in Capital Assets	23,583,175	23,555,781	157,732	117,787
Restricted	11,262,581	10,202,772	-	-
Unrestricted	(3,981,597)	(4,320,478)	380,200	320,847
Total Net Position	\$ 30,864,159	\$ 29,438,075	\$ 537,932	\$ 438,634

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Table 2 shows changes in net position for fiscal year 2023 and 2022.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
REVENUES				
Program Revenues:				
Charges for Services	\$ -	\$ -	\$ 103,326	\$ 11,818
Operating Grants & Contributions	6,687,289	7,650,226	634,421	803,413
General Revenues				
Property Taxes	8,721,484	8,811,610	-	-
Grants & Entitlements	13,132,573	11,757,354	-	-
Other	643,010	309,964	6,160	252
Total Revenues	29,184,356	28,529,154	743,907	815,483
Expenses:				
Instruction	11,201,059	10,608,304	-	-
Tuition	1,354,136	939,745	-	-
Related Services	3,795,787	3,434,171	-	-
General & School Administrator	1,253,103	1,261,476	-	-
Central Services	550,427	598,534	-	-
Operations & Maintenance	2,179,703	2,250,471	-	-
Transportation	526,779	334,703	-	-
Employee Benefits	5,855,387	6,847,750	-	-
Food Service	-	-	644,609	610,950
Other	1,041,891	1,174,295	-	-
Total Expenses	27,758,272	27,449,449	644,609	610,950
Increase in Net Position before Transfers	1,426,084	1,079,705	99,298	204,533
Changes in Net Position	1,426,084	1,079,705	99,298	204,533
Net Position- July 1	29,438,075	28,358,370	438,634	234,101
Net Postion- June 30	\$ 30,864,159	\$ 29,438,075	\$ 537,932	\$ 438,634

Governmental Activities

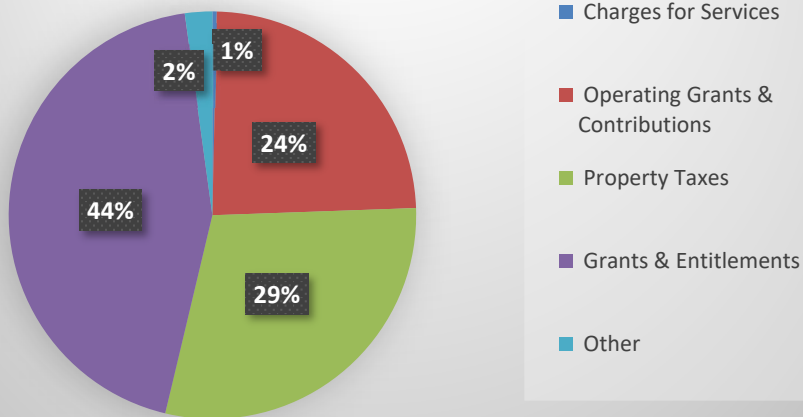
Property taxes made up 29% of revenues for fiscal year 2023 and 31% for fiscal year 2022. The District's total revenue for governmental activities was \$29,184,356 for the year ended June 30, 2023. Federal and state aid, accounted for another 68% of revenue.

MOUNT HOLLY TOWNSHIP SCHOOL DISTRICT
MOUNT HOLLY, NJ

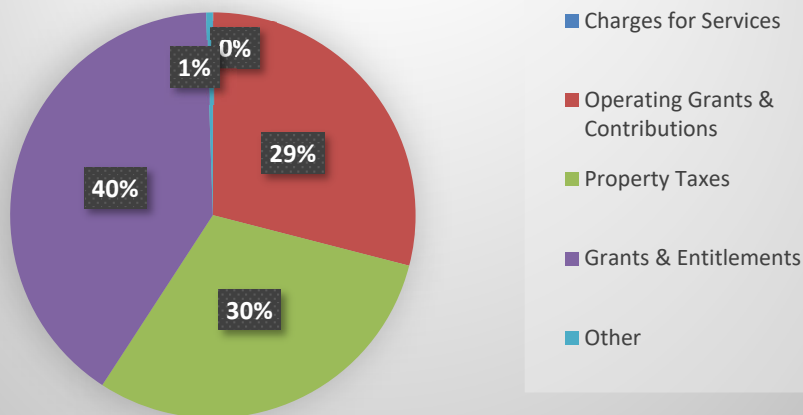
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)

Governmental Activities (continued)

Sources of Revenue for Fiscal Year
2023



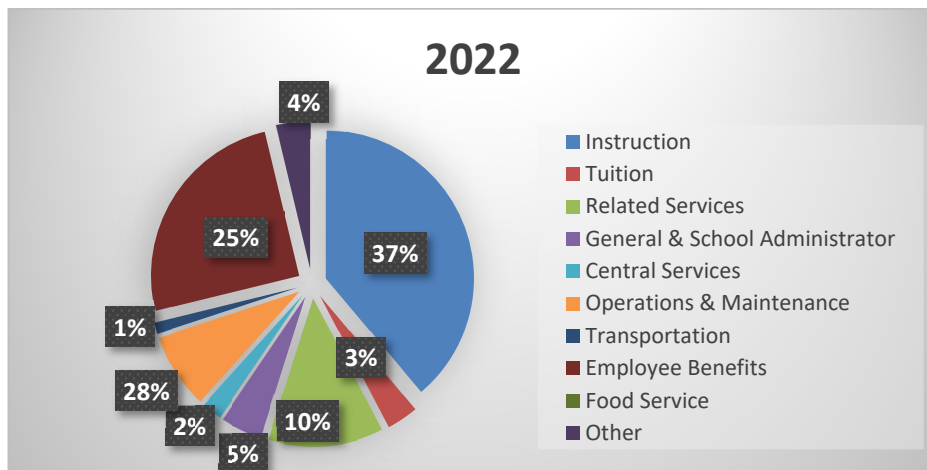
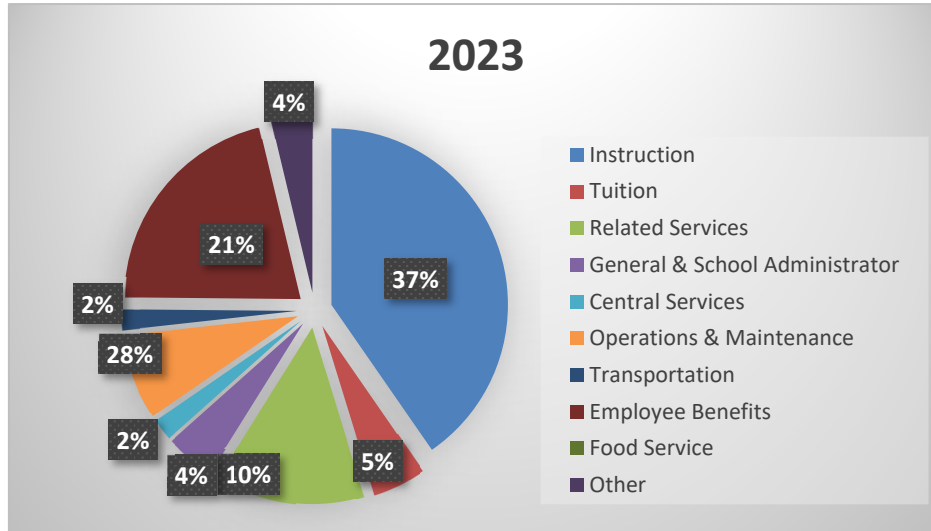
Sources of Revenue for Fiscal Year
2022



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

The total cost of all programs and services was \$27,758,272. 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, 2023
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 \$99,298.
- Charges for services represent \$103,326 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 \$634,421.

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 2023</u>	<u>Net Cost of Services Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services Services 2022</u>
Instruction	\$ 11,201,059	\$ 8,893,418	\$ 10,608,304	\$ 8,207,437
Support Services:				
Pupils and Instructional Staff	5,149,923	3,753,043	4,373,916	3,312,562
Administration	1,253,103	1,253,103	1,261,476	1,261,476
Operations and Maintenance	2,730,130	2,730,130	2,849,005	2,849,005
Pupil Transportation	526,779	526,779	334,703	334,703
Employee Benefits	5,855,387	3,016,070	6,847,750	2,659,745
Other	1,041,891	1,041,891	1,174,295	1,174,295
Total Expenses	<u>\$ 27,758,272</u>	<u>\$ 21,214,434</u>	<u>\$ 27,449,449</u>	<u>\$ 19,799,223</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, 2023
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 \$31,435,311 and expenditures were \$30,515,193 in 2023. The net change in fund balance for the year was most significant in the General fund – an increase of \$920,118. 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 \$318,485.
- ❖ Budgeted regular program cost exceeded actual expenses by approximately \$395,457 and special education budgeted cost exceeded actual expenses by \$152,121.
- ❖ Budgeted tuition cost exceeded actual by approximately \$186,653.
- ❖ Budgeted administrative costs exceeded actual by approximately \$87,099. This was achieved through efficiencies in overall district management.
- ❖ Operation & maintenance of plant services actual costs were approximately \$340,074 less than budgeted due to the utilization of purchasing through Co-operatives.

Capital Assets

At the end of the fiscal year 2023, the School District had \$28,968,907 invested in land, buildings, machinery, and equipment, net of applicable depreciation. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4 Net Investment in Capital Assets

	2023	2022
Governmental Activities:		
Land	\$ 9,786,500	\$ 9,786,500
Building Improvements	27,532,486	27,087,874
Equipment	3,935,660	4,198,700
Less: Accumulated Depreciation:	(12,443,471)	(11,791,722)
	28,811,175	29,281,352
Business-Type Activities:		
Equipment	412,479	366,246
Less: Accumulated Depreciation:	(254,747)	(248,459)
	157,732	117,787
Total Capital Assets	\$ 28,968,907	\$ 29,399,139

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Overall capital assets decreased \$430,232 from fiscal year 2022 to fiscal year 2023. 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 short and long-range plans 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 action steps please visit our website https://mtholly.enschool.org/apps/pages/index.jsp?uREC_ID=446608&type=d

- ✎ In addition, 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 and elevator 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, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,274,432	\$ 348,374	\$ 3,622,806
Receivables, Net (Note 4)	1,819,005	25,930	1,844,935
Inventory	-	17,156	17,156
Restricted Cash & Cash Equivalents	7,184,411	-	7,184,411
Capital Assets, Net (Note 5)			
Non-depreciable	9,786,500	-	9,786,500
Depreciable	19,024,675	157,732	19,182,407
	<hr/>	<hr/>	<hr/>
Total Assets	41,089,023	549,192	41,638,215
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	531,884	-	531,884
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	531,884	-	531,884
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	41,620,907	549,192	42,170,099
LIABILITIES			
Accounts Payable	305,026	-	305,026
Due to Other Governments	280,373	-	280,373
Unearned Revenue	700,584	11,260	711,844
Accrued Interest	43,323	-	43,323
Noncurrent Liabilities (Note 7):			
Due Within One Year	441,000	-	441,000
Due in more than one year	8,436,343	-	8,436,343
	<hr/>	<hr/>	<hr/>
Total Liabilities	10,206,649	11,260	10,217,909
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	550,099	-	550,099
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	550,099	-	550,099
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflow of Resources	10,756,748	11,260	10,768,008
NET POSITION			
Net Investment in Capital Assets	23,583,175	157,732	23,740,907
Restricted For:			
Capital Projects	5,931,262	-	5,931,262
Debt Service	(29,595)	-	(29,595)
Maintenance Reserve	1,019,481	-	1,019,481
New Jersey Unemployment Fund	233,668	-	233,668
Student Activities	7,765	-	7,765
Excess Surplus	4,100,000	-	4,100,000
Unrestricted (Deficit)	(3,981,597)	380,200	(3,601,397)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 30,864,159	\$ 537,932	\$ 31,402,091

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, 2023**

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	\$ 7,182,671	-	\$ 2,451,092	\$ (4,731,579)	-	\$ (4,731,579)
Special Education	2,962,878	-	-	(2,962,878)	-	(2,962,878)
Other Instruction	1,055,510	-	-	(1,055,510)	-	(1,055,510)
Support Services & Undistributed Costs:						
Tuition	1,354,136	-	-	(1,354,136)	-	(1,354,136)
Student & Instruction Related Services	3,795,787	-	1,396,880	(2,398,907)	-	(2,398,907)
General Administrative Services	441,024	-	-	(441,024)	-	(441,024)
School Administrative Services	812,079	-	-	(812,079)	-	(812,079)
Central Services	550,427	-	-	(550,427)	-	(550,427)
Plant Operations & Maintenance	2,179,703	-	-	(2,179,703)	-	(2,179,703)
Pupil Transportation	526,779	-	-	(526,779)	-	(526,779)
Unallocated Employee Benefits On Behalf TPAF Pension and Social Security Contributions	4,006,628	-	990,558	(3,016,070)	-	(3,016,070)
Interest & Other Changes in Long-Term Debt Unallocated Depreciation & Amortization	1,848,759	-	1,848,759	-	-	-
	110,647	-	-	(110,647)	-	(110,647)
	931,244	-	-	(931,244)	-	(931,244)
Total Governmental Activities	27,758,272	-	6,687,289	(21,070,983)	-	(21,070,983)
Business-Type Activities:						
Food Service	644,609	103,326	634,421	-	93,138	93,138
Total Business-Type Activities	644,609	103,326	634,421	-	93,138	93,138
Total Primary Government	\$ 28,402,881	\$ 103,326	\$ 7,321,710	\$ (21,070,983)	\$ 93,138	\$ (20,977,845)

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, 2023**

	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	8,721,484	-	8,721,484
Federal & State Aid Not Restricted	13,132,573	-	13,132,573
Tuition	318,485	-	318,485
Interest Earnings	4,072	3,416	7,488
Gain on Capital Asset Adjustment	-	2,744	2,744
Miscellaneous Income	320,453	-	320,453
Total General Revenues, Special Items, Extraordinary Items & Transfers	<u>22,497,067</u>	<u>6,160</u>	<u>22,503,227</u>
Change In Net Position	1,426,084	99,298	1,525,382
Net Position - Beginning	29,438,075	438,634	29,876,709
Net Position - Ending	<u>\$ 30,864,159</u>	<u>\$ 537,932</u>	<u>\$ 31,402,091</u>

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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, 2023**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 2,732,257	\$ 281,650	\$ 260,525	\$ 3,274,432
Receivables, Net:				
Other Receivable	127,891	13,762	-	141,653
Due from Other Governments:				
State	809,678	1,240	-	810,918
Federal	-	866,434	-	866,434
Interfund Receivable	432,080	-	-	432,080
Restricted Cash & Cash Equivalents	7,184,411	-	-	7,184,411
Total Assets	\$ 11,286,317	\$ 1,163,086	\$ 260,525	\$ 12,709,928
 LIABILITIES & FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ 141,960	\$ 290,120	\$ 432,080
Accounts Payable	5,016	299,675	-	304,691
Payroll Taxes Payable	335	-	-	335
Due to Other Governments	-	13,102	-	13,102
Unearned Revenue	-	700,584	-	700,584
Total Liabilities	5,351	1,155,321	290,120	1,450,792
Fund Balances:				
Restricted for:				
Excess Surplus	2,100,000	-	-	2,100,000
Capital Reserve Account	5,931,262	-	-	5,931,262
Maintenance Reserve	1,019,481	-	-	1,019,481
Excess Surplus - Designated for Subsequent Year's Expenditures	2,000,000	-	-	2,000,000
New Jersey Unemployment Fund	233,668	-	-	233,668
Student Activities	-	7,765	-	7,765
Assigned to:				
Other Purposes	44,075	-	-	44,075
Debt Service Fund	-	-	(29,595)	(29,595)
Unassigned:				
General Fund	(47,520)	-	-	(47,520)
Special Revenue	-	-	-	-
Total Fund Balances	11,280,966	7,765	(29,595)	11,259,136
Total Liabilities & Fund Balances	\$ 11,286,317	\$ 1,163,086	\$ 260,525	

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 \$41,254,646 and the accumulated depreciation is \$12,443,471.	28,811,175
PERS pension payable is not recorded in the fund financial statements due to the fact that the payable is not due in the current period.	(267,271)
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.	(43,323)
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.	(18,215)
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)	<u>(8,877,343)</u>
Net Position of Governmental Activities	<u><u>\$ 30,864,159</u></u>

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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,553,648	\$ -	\$ 167,836	\$ 8,721,484
Tuition Charges	318,485	-	-	318,485
Interest Earned	2,000	-	2,072	4,072
Miscellaneous	320,453	83,421	-	403,874
Total Local Sources	9,194,586	83,421	169,908	9,447,915
State Sources	18,139,586	1,411,033	-	19,550,619
Federal Sources	83,259	2,353,518	-	2,436,777
Total Revenues	27,417,431	3,847,972	169,908	31,435,311
Expenditures:				
Instruction:				
Regular	4,915,982	2,266,689	-	7,182,671
Special Education	2,962,878	-	-	2,962,878
Other Instruction	1,055,510	-	-	1,055,510
Support Services & Undistributed Costs:				
Tuition	1,354,136	-	-	1,354,136
Student & Instruction Related				
Services	2,398,907	1,396,880	-	3,795,787
General Administrative Services	441,024	-	-	441,024
School Administrative Services	812,079	-	-	812,079
Central Services	550,427	-	-	550,427
Plant Operations & Maintenance	2,287,274	-	-	2,287,274
Pupil Transportation	526,779	-	-	526,779
Unallocated Employee Benefits	8,583,946	-	-	8,583,946
Debt Service:				
Principal	-	-	390,000	390,000
Interest & Other Charges	13,277	-	98,338	111,615
Capital Outlay	281,071	179,996	-	461,067
Total Expenditures	26,183,290	3,843,565	488,338	30,515,193
Net Change in Fund Balances	1,234,141	4,407	(318,430)	920,118
Fund Balance - July 1	10,046,825	3,358	288,835	10,339,018
Fund Balance - June 30	\$ 11,280,966	\$ 7,765	\$ (29,595)	\$ 11,259,136

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 920,118

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	\$	(901,944)	
Net Deletion and Adjustments of Capital Assets		(29,300)	
Capital Outlay		461,067	(470,177)

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. 390,000

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. 107,571

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. 521,429

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. 968

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		(656,876)	
Prior Year		613,051	(43,825)

Change in Net Position of Governmental Activities \$ 1,426,084

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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
ASSETS	
Current Assets:	
Cash	\$ 348,374
Intergovernmental Accounts Receivables	25,930
Inventories	17,156
	<hr/>
Total Current Assets	391,460
	<hr/>
Fixed Assets:	
Equipment	412,479
Less: Accumulated Depreciation	(254,747)
	<hr/>
Total Fixed Assets	157,732
	<hr/>
Total Assets	549,192
	<hr/>
LIABILITIES	
Unearned Revenue	11,260
	<hr/>
Total Liabilities	11,260
	<hr/>
NET POSITION	
Net Investment in Capital Assets	157,732
Unrestricted Net Position	380,200
	<hr/>
Total Net Position	<u><u>\$ 537,932</u></u>

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

**MOUNT HOLLY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 65,272
Daily Sales - Non-Reimbursable Programs	33,932
Special Functions	4,122
	<hr/>
Total Operating Revenues	103,326
	<hr/>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	288,128
Cost of Sales- Non-Reimbursable Programs	19,690
Salaries and Benefits	235,275
Supplies & Materials	39,889
Depreciation	13,528
Management Fee	32,625
Direct Services	15,474
	<hr/>
Total Operating Expenses	644,609
	<hr/>
Operating Income/(Loss)	(541,283)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	12,654
State School Breakfast Program	1,421
Federal Sources:	
National School Lunch Program	385,351
National School Breakfast Program	81,127
Food Distribution Program	78,393
Supply Chain Assistance Award	61,891
After School Snack	13,584
Gain/(Loss) on Adjustment to Fixed Assets	2,744
Interest Revenue	3,416
	<hr/>
Total Nonoperating Revenues/(Expenses)	640,581
	<hr/>
Net Income/(Loss)	99,298
Net Position - July 1	438,634
	<hr/>
Net Position - June 30	\$ 537,932
	<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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <hr/> FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 102,799
Payments to Employees	(235,275)
Payments to Suppliers	(394,481)
Net Cash Provided/(Used) by Operating Activities	(526,957)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	660,007
Net Cash Provided/(Used) by Noncapital Financing Activities	660,007
Cash Flows From Investing Activities:	
Purchase of Capital Equipment	(50,729)
Interest & Dividends	3,416
Net Cash Provided/(Used) by Investing Activities	(47,313)
Net Increase/(Decrease) in Cash & Cash Equivalents	85,737
Balances - Beginning of Year	262,637
Balances - End of Year	\$ 348,374
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (541,283)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	13,528
(Increase)/Decrease in Inventories	1,325
Increase/(Decrease) in Unearned Revenues	(527)
Total Adjustments	14,326
Net Cash Provided/(Used) by Operating Activities	\$ (526,957)

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, 2023**

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MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023 of 1,140 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: Omnibus - 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, 2023.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (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, 2023 (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 financed purchases 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, 2023 (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, 2023 (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, 2023 (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, 2023 (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, 2023 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, 2023 (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, 2023 (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, 2023.
- 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, 2023 (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, 2023:

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. The District has evaluated the effects of GASB Statement No. 96 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. 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.

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

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

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, 2023, the District’s bank balance of \$11,449,837 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	11,205,393
Uninsured and Uncollateralized		244,444
	\$	11,449,837

Investments

The District had no investments at June 30, 2023.

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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 3. Reserve Accounts (continued)

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	4,886,346
Increased by:		
Interest		2,000
Deposits approved by Board		1,319,606
		6,207,952
Decreased by:		
Budget Withdrawals		(276,690)
Ending Balance, June 30, 2023	\$	5,931,262

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2023 is \$21,236,439. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District’s Long Rang Facilities Plan.

Maintenance Reserve

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	762,382
Increased by:		
Deposits approved by Board		257,099
Ending Balance, June 30, 2023	\$	1,019,481

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 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:

Description	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 866,434	\$ 866,434	\$ 25,171	\$ 25,171
State Awards	809,678	1,240	810,918	759	759
Other	127,891	13,762	141,653	-	-
Total	\$ 937,569	\$ 881,436	\$ 1,819,005	\$ 25,930	\$ 25,930

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance <u>June 30, 2023</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	27,087,874	421,154	23,458	27,532,486
Equipment	4,198,700	39,913	(302,953)	3,935,660
Total Capital Assets being depreciated	31,286,574	461,067	(279,495)	31,468,146
Less: Accumulated Depreciation:				
Building Improvements	(8,613,592)	(702,102)	-	(9,315,694)
Equipment	(3,178,130)	(199,842)	250,195	(3,127,777)
Total Accumulated Depreciation	(11,791,722)	(901,944)	250,195	(12,443,471)
Total Capital Assets being depreciated, net	19,494,852	(440,877)	(29,300)	19,024,675
Total Governmental Activities Capital Assets, net	\$ 29,281,352	\$ (440,877)	\$ (29,300)	\$ 28,811,175

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 5. Capital Assets (continued)

	Balance July 1, 2022	Additions	Retirements and Transfers	Balance June 30, 2023
Business-Type Activities:				
Equipment	\$ 366,246	\$ 50,729	\$ (4,496)	\$ 412,479
	<u>366,246</u>	<u>50,729</u>	<u>(4,496)</u>	<u>412,479</u>
Less: Accumulated Depreciation:				
Equipment	(248,459)	(13,528)	7,240	(254,747)
	<u>(248,459)</u>	<u>(13,528)</u>	<u>7,240</u>	<u>(254,747)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 117,787</u>	<u>\$ 37,201</u>	<u>\$ 2,744</u>	<u>\$ 157,732</u>

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

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 432,080	\$ -
Special Revenue Fund	-	141,960
Debt Service Fund	-	290,120
	<u>\$ 432,080</u>	<u>\$ 432,080</u>

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

There were no interfund transfers during the year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 5,530,000	\$ -	\$ 390,000	\$ 5,140,000	\$ 375,000
Loans Payable	195,571	-	107,571	88,000	66,000
Compensated Absences	613,051	43,825	-	656,876	-
Net Pension Liability	2,352,273	640,194	-	2,992,467	-
	<u>\$ 8,690,895</u>	<u>\$ 684,019</u>	<u>\$ 497,571</u>	<u>\$ 8,877,343</u>	<u>\$ 441,000</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 7. Long-Term Obligations (continued)

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 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, 2023 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	410,000	77,982	487,982
2029-2031	2,255,000	268,812	2,523,812
2034-2035	940,000	35,485	975,485
	<u>\$ 5,140,000</u>	<u>\$ 738,712</u>	<u>\$ 5,878,712</u>

Financed Purchases

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

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 7. Long-Term Obligations (continued)

The following is a schedule of future minimum financed purchase payments under loans payable as of June 30, 2023

Fiscal Year Ending <u>June 30,</u>		
2024	\$	67,262
2025		<u>22,225</u>
Total Minimum Financed Purchase Payments		89,487
Less: Amount Representing Interest		<u>(1,487)</u>
Present Value of Minimum Financed Purchase Payments		<u>\$ 88,000</u>

At June 30, 2023 the minimum financed purchase payments due within one year is \$66,000.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

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

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 the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more 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, 2023, the School District reported a liability of \$2,992,467 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was 0.019829%, which was a decrease of 0.00003% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(269,726) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 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, 2023 (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	\$ 21,598	\$ 19,047
Changes of Assumptions	9,272	448,091
Net Difference between Projected and Actual Earnings on Pension Plan Investments	123,855	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	109,888	82,961
School District Contributions Subsequent to Measurement Date	267,271	-
	\$ 531,884	\$ 550,099

\$267,271 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, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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 Dec 31,	Amount
2023	\$ (234,567)
2024	(119,504)
2025	(58,280)
2026	127,145
2027	(280)
	\$ (285,486)

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, 2023 (continued)

Note 8. Pension Plans (continued)

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 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, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
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	-
June 30, 2022	5.00	
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2022	5.04	5.04

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2027	2.85 - 6.55%	Based on Years of Service
Thereafter	2.75 - 6.55%	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, 2018 - June 30, 2021

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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, 2022) 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, 2022 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023, 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	\$ 3,877,001	\$ 2,992,467	\$ 2,286,603

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.019829%	0.019856%

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$6,296 as of June 30, 2023. These are based on measurements as of June 30, 2022.

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/annrprts.shtml.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

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

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 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 2022, the State's pension contribution was more 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, 2023 was \$41,065,604. The School District's proportionate share was \$-0-.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.07959%, which was an increase of 0.00001% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$1,105,190 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, 2022 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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,

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

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

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:

	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	48,150,293	41,065,604	35,097,643
	<u>\$ 48,150,293</u>	<u>\$ 41,065,604</u>	<u>\$ 35,097,643</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, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.07959%	0.07947%

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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, 2023 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability: \$ 50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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 \$45,550,063. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.08993%, which was a decrease of 0.00075% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$988,879 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, 2022 measurement date.

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 eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreased to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 53,539,308	\$ 45,550,063	\$ 39,147,083
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 37,649,911	\$ 45,550,063	\$ 55,927,392
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 17,808,023,196	\$ (32,700,239,909)

** Employer Contributions made after June 30, 2022 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,		
2023	\$	(2,517,151,602)
2024		(2,517,151,602)
2025		(2,517,151,602)
2026		(2,175,449,761)
2027		(1,243,951,140)
Thereafter		(3,921,361,006)
	\$	(14,892,216,713)

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
	364,817

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$	2,770,618,025
Interest Cost		1,342,187,139
Difference Between Expected & Actual Experience		1,399,200,736
Change in Benefit Tiers		-
Changes of Assumptions		(13,586,368,097)
Contributions: Member		42,650,252
Gross Benefit Payments		<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability		(9,361,188,004)
Total OPEB Liability (Beginning)		<u>60,007,650,970</u>
Total OPEB Liability (Ending)	\$	<u><u>50,646,462,966</u></u>
Total Covered Employee Payroll	\$	14,753,355,408
Net OPEB Liability as a Percentage of Payroll		343%

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, 2023, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$3,441,065, \$903,959 and \$1,679, 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:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 11. Risk Management (continued)

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 42,182	\$ 2,199	\$ 16,295	\$ 233,668
2021-2022	10,131	317	-	205,582
2020-2021	18,731	334	5,368	195,134

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 Annual Comprehensive 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:

<ul style="list-style-type: none"> Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability 	<ul style="list-style-type: none"> General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage
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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, 2023 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.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

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, 2023, the liability for compensated absences reported on the government-wide Statement of Net Position was \$656,876.

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, 2023 was \$2,100,000.

Note 17. Fund Balances

General Fund – Of the \$11,280,966 General Fund balance at June 30, 2023, \$5,931,262 has been restricted for the Capital Reserve Account; \$1,019,481 has been restricted for the Maintenance Reserve Account; \$233,668 has been restricted for the Unemployment Reserve Account; \$2,100,000 has been restricted for current year excess surplus; \$2,000,000 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$44,075 has been assigned to other purposes; and \$(47,520) has been unassigned.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 17. Fund Balances (continued)

Special Revenue Fund – Of the \$(135,686) Special Revenue Fund balance at June 30, 2023, \$7,765 is restricted for future student activities and \$(143,451) has been unassigned.

Debt Service Fund – Of the \$(29,595) Debt Service Fund balance at June 30, 2023, \$(29,595) is restricted for future debt service payments.

Note 18. Deficit Fund Balances

The District has a deficit fund balance of \$(47,520) in the General Fund as of June 30, 2023 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 \$(47,520) which is less than the last state aid payment.

The District has a deficit fund balance of \$(29,595) in the Debt Service Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). The District incorrectly budgeted for the current year debt obligations which is the cause of the deficit.

Note 19. Deficit in Net Position

Restricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$(29,595). The primary cause of the deficit is the District incorrectly budgeted the current year debt obligations which caused over expenditures as of June 30, 2023. This deficit in restricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Unrestricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$(3,981,597). 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, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 12, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	-	-	-	247,894	247,894
Tuition from Other Govt Sources	10-1321	-	-	-	70,591	70,591
Unrestricted Miscellaneous	10-1990	15,000	-	15,000	320,453	305,453
Total Local Sources		8,570,648	-	8,570,648	9,194,586	623,938
State Sources:						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Extraordinary Aid	10-3131	12,500	-	12,500	314,862	302,362
Categorical Special Education Aid	10-3132	755,237	-	755,237	755,237	-
Equalization Aid	10-3176	9,985,907	-	9,985,907	9,985,907	-
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	-	-	-	9,672	9,672
Homeless Tuition Aid	10-XXXX	-	-	-	125,932	125,932
Maintenance of Equity	10-XXXX	-	-	-	322,792	322,792
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	903,959	903,959
On-Behalf TPAF Pension Contributions		-	-	-	3,441,065	3,441,065
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,679	1,679
Reimbursed TPAF Social Security Contributions		-	-	-	743,569	743,569
Total State Sources		12,244,779	-	12,244,779	18,095,809	5,851,030
Federal Sources:						
Medicaid Reimbursement	10-4210	34,443	-	34,443	54,079	19,636
SEMI/FFCRA	10-4200	-	-	-	29,180	29,180
Total Federal Services		34,443	-	34,443	83,259	48,816
Total Revenues		20,849,870	-	20,849,870	27,373,654	6,523,784
Expenditures:						
Instruction:						
Instruction - Regular Programs:						
Local Contribution:						
Transportation to Special Revenue - Inclusion	11-105-100-936	54,840	-	54,840	54,840	-
Salaries of Teachers:						
Kindergarten	11-110-110-101	520,203	-	520,203	502,414	17,789
Grades 1 - 5	11-120-100-101	2,159,138	98,103	2,257,241	2,185,336	71,905
Grades 6 - 8	11-130-100-101	1,633,911	(6,629)	1,627,282	1,427,916	199,366
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	12,300	29,544	41,844	41,844	-
Purchased Professional & Educational Services	11-150-100-320	17,000	4,500	21,500	8,705	12,795
Regular Programs - Undistributed:						
Other Salaries for Instruction	11-190-100-106	168,241	(47,286)	120,955	85,270	35,685
Purchased Professional & Educational Services	11-190-100-320	396,653	(88,454)	308,199	303,523	4,676
Purchased Technical Services	11-190-100-340	23,700	(79)	23,621	18,381	5,240
Other Purchased Services	11-190-100-500	172,994	(10,674)	162,320	139,873	22,447
General Supplies	11-190-100-610	185,965	(13,681)	172,284	147,880	24,404
Textbooks	11-190-100-640	1,000	-	1,000	-	1,000
Other Objects	11-190-100-800	150	-	150	-	150
Regular Programs - Employee Benefits:						
Health Benefits	11-1xx-100-270	88,600	(88,600)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
Total Instruction - Regular Programs		5,463,695	(152,256)	5,311,439	4,915,982	395,457

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	498,280	(43,735)	454,545	454,325	220
Other Salaries for Instruction	11-212-100-106	189,742	31,618	221,360	221,360	-
Purchased Professional & Educational Services	11-212-100-320	528,741	45,573	574,314	466,922	107,392
General Supplies	11-212-100-610	20,169	(11,453)	8,716	7,712	1,004
Total Multiple Disabilities		1,236,932	22,003	1,258,935	1,150,319	108,616
Resource Room/Center:						
Salaries of Teachers	11-213-100-101	1,529,094	57,347	1,586,441	1,578,575	7,866
Other Salaries for Instruction	11-213-100-106	23,348	-	23,348	23,348	-
Purchased Professional & Educational Services	11-213-100-320	53,000	(2,000)	51,000	18,369	32,631
General Supplies	11-213-100-610	7,500	1,382	8,882	8,395	487
Textbooks	11-213-100-640	500	(500)	-	-	-
Total Resource Room/Center		1,613,442	56,229	1,669,671	1,628,687	40,984
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	111,588	2,583	114,171	114,171	-
Other Salaries for Instruction	11-216-100-106	-	15,627	15,627	15,627	-
Purchased Professional & Educational Services	11-216-100-320	2,500	53,876	56,376	53,927	2,449
General Supplies	11-216-100-600	3,034	(2,815)	219	147	72
Total Preschool Disabilities - Full Time		117,122	69,271	186,393	183,872	2,521
Employee Benefits - Special Education:						
Health Benefits	11-2xx-100-270	270,000	(270,000)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
Total Employee Benefits - Special Education		283,000	(283,000)	-	-	-
Total Special Education		3,250,496	(135,497)	3,114,999	2,962,878	152,121
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	330,178	2,001	332,179	294,477	37,702
Purchased Professional & Educational Services	11-230-100-320	3,000	-	3,000	89	2,911
General Supplies	11-230-100-600	3,000	-	3,000	2,430	570
Total Basic Skills/Remedial		336,178	2,001	338,179	296,996	41,183

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Bilingual Education:						
Salaries of Teachers	11-240-100-101	152,198	(4,275)	147,923	147,923	-
Other Salaries for Instruction	11-240-100-106	5,000	(5,000)	-	-	-
Purchased Professional & Educational Services	11-240-100-320	4,500	-	4,500	267	4,233
Other Purchased Services	11-240-100-500	-	195	195	195	-
General Supplies	11-240-100-610	7,950	(3,785)	4,165	4,165	-
Total Bilingual Education		169,648	(12,865)	156,783	152,550	4,233
School Sponsored Cocurricular Activities:						
Salaries of Teachers	11-401-100-100	147,584	2,458	150,042	127,638	22,404
Purchased Services	11-401-100-500	9,308	(1,500)	7,808	6,654	1,154
Supplies and Materials	11-401-100-600	17,740	(3,190)	14,550	14,027	523
Other Objects	11-401-100-800	9,785	936	10,721	10,581	140
Total School Sponsored Cocurricular Activities		184,417	(1,296)	183,121	158,900	24,221
School Sponsored Athletics:						
Salaries of Teachers	11-402-100-100	30,574	1,236	31,810	31,810	-
Total School Sponsored Athletics		30,574	1,236	31,810	31,810	-
Other Instructional Programs:						
Salaries of Teachers	11-403-100-100	31,072	-	31,072	31,072	-
Supplies and Materials	11-403-100-600	4,000	-	4,000	200	3,800
Total Other Instructional Programs		35,072	-	35,072	31,272	3,800
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
Other Alternative Education Programs						
Other Salaries of Instruction	11-425-100-106	-	3,212	3,212	2,699	513
Total Summer School		-	3,212	3,212	2,699	513
Support Services:						
Tuition:						
Tuition to Other LEA's - Within State Regular	11-000-100-561	184,769	(63,210)	121,559	3,444	118,115
Tuition to Other LEA's - Within State Special	11-000-100-562	-	28,306	28,306	28,306	-
Tuition to County Special Services & Regular Day Schools	11-000-100-565	525,424	30,000	555,424	527,727	27,697
Tuition to Private Schools - Handicapped Within State	11-000-100-566	636,074	52,135	688,209	669,520	18,689
Tuition - Other	11-000-100-569	155,033	(7,742)	147,291	125,139	22,152
Total Tuition		1,501,300	39,489	1,540,789	1,354,136	186,653
Attendance & Social Work Services:						
Salaries	11-000-211-100	63,690	-	63,690	63,690	-
Salaries of Community/School Coordinators	11-000-211-174	149,180	-	149,180	149,180	-
Purchased Professional & Technical Services	11-000-211-300	35,294	(1,884)	33,410	2,203	31,207
Other Purchased Services	11-000-211-500	7,500	(662)	6,838	475	6,363
Supplies and Material	11-000-211-600	1,050	-	1,050	285	765
Other Objects	11-000-211-800	1,095	-	1,095	1,095	-
Total Attendance & Social Work Services		257,809	(2,546)	255,263	216,928	38,335

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Health Services:						
Salaries	11-000-213-100	281,375	3,472	284,847	283,069	1,778
Purchased Professional & Technical Services	11-000-213-300	16,950	(145)	16,805	12,518	4,287
Other Purchased Services	11-000-213-500	1,275	-	1,275	-	1,275
Supplies and Materials	11-000-213-600	11,657	-	11,657	5,140	6,517
Other Objects	11-000-213-800	450	-	450	445	5
Total Health Services		311,707	3,327	315,034	301,172	13,862
Speech, OT, PT, Related & Extraordinary Services:						
Salaries	11-000-216-100	200,521	4,305	204,826	204,826	-
Purchased Professional & Educational Services	11-000-216-320	221,619	(7,585)	214,034	182,395	31,639
Travel	11-000-216-580	300	-	300	-	300
Supplies and Materials	11-000-216-600	6,450	(1,143)	5,307	5,141	166
Total Speech, OT, PT, Related & Extraordinary Services:		428,890	(4,423)	424,467	392,362	32,105
Other Support Services- Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	451,456	(56,878)	394,578	381,283	13,295
Total Other Support Services:		451,456	(56,878)	394,578	381,283	13,295
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	385,579	588	386,167	386,167	-
Supplies and Materials	11-000-218-600	4,651	-	4,651	1,306	3,345
Total Guidance		390,230	588	390,818	387,473	3,345
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	493,995	2,998	496,993	473,400	23,593
Salaries of Secretarial & Clerical Assistants	11-000-219-105	69,389	-	69,389	67,889	1,500
Purchased Professional & Educational Services	11-000-219-320	81,093	(45,910)	35,183	30,589	4,594
Other Purchased Services	11-000-219-500	20,968	(1,766)	19,202	10,006	9,196
Supplies and Materials	11-000-219-600	12,350	(1,459)	10,891	8,846	2,045
Other Objects	11-000-219-800	3,150	-	3,150	844	2,306
Total Child Study Teams		680,945	(46,137)	634,808	591,574	43,234
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	56,493	854	57,347	57,347	-
Salaries of Other Professional Staff	11-000-221-104	60,000	-	60,000	43,712	16,288
Salaries of Secretarial & Clerical Assistants	11-000-221-105	22,063	-	22,063	22,063	-
Purchased Professional & Educational Services	11-000-221-320	3,900	308	4,208	3,789	419
Other Purchased Services	11-000-221-500	5,649	(462)	5,187	3,555	1,632
Supplies and Materials	11-000-221-600	5,300	-	5,300	2,847	2,453
Other Objects	11-000-221-800	1,413	-	1,413	844	569
Total Improvement of Instructional Services		154,818	700	155,518	134,157	21,361

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Educational Media Services - School Library:						
Salaries	11-000-222-100	190,243	-	190,243	156,349	33,894
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,291	209
Supplies and Materials	11-000-222-600	13,751	(867)	12,884	8,399	4,485
Other Objects	11-000-222-800	210	-	210	-	210
Total Educational Media Services - School Library		209,704	(867)	208,837	170,039	38,798
Instructional Staff Training Services:						
Salaries of Supervisor of Instruction	11-000-223-102	56,493	854	57,347	57,347	-
Salaries of Secretarial & Clerical Assistants	11-000-223-105	22,063	-	22,063	22,063	-
Purchased Professional & Educational Services	11-000-223-320	27,000	154	27,154	650	26,504
Other Purchased Prof and Tech Services	11-000-223-390	151,160	-	151,160.00	119,139.00	32,021
Other Purchased Services	11-000-223-500	9,000	-	9,000	5,504	3,496
Supplies and Materials	11-000-223-600	9,000	-	9,000	499	8,501
Other Objects	11-000-223-800	90	-	90	-	90
Total Instructional Staff Training Services		274,806	1,008	275,814	205,202	70,612
General Administration:						
Salaries	11-000-230-100	244,137	2,176	246,313	246,312	1
Legal Services	11-000-230-331	62,000	5,342	67,342	56,312	11,030
Audit Services	11-000-230-332	28,800	1,456	30,256	30,256	-
Architectural/Engineering Services	11-000-230-334	15,000	-	15,000	6,269	8,731
Other Purchased Professional Services	11-000-230-339	8,000	207	8,207	6,100	2,107
Purchased Technical Services	11-000-230-340	8,000	(2,368)	5,632	5,632	-
Communications/Telephone	11-000-230-530	93,700	-	93,700	50,237	43,463
Travel	11-000-230-580	-	7,738	7,738	5,070	2,668
BOE Other Purchased Services	11-000-230-585	9,800	-	9,800	3,433	6,367
Other Purchased Services	11-000-230-590	26,790	(8,200)	18,590	10,830	7,760
Supplies & Materials	11-000-230-610	9,750	-	9,750	8,391	1,359
BOE In-House Training/Supplies	11-000-230-630	1,650	-	1,650	524	1,126
Miscellaneous Expenditures	11-000-230-890	3,700	-	3,700	2,570	1,130
BOE Membership Dues & Fees	11-000-230-895	10,445	-	10,445	9,088	1,357
Total General Administration		521,772	6,351	528,123	441,024	87,099
School Administration:						
Salaries of Principals/Assistants Principals	11-000-240-103	495,165	19,671	514,836	469,700	45,136
Salaries of Secretarial & Clerical Assistants	11-000-240-105	321,812	(19,713)	302,099	295,812	6,287
Purchased Professional & Technical Services	11-000-240-300	7,500	21,563	29,063	24,810	4,253
Other Purchased Services	11-000-240-500	7,400	(2,350)	5,050	1,361	3,689
Supplies & Materials	11-000-240-600	25,960	(1,443)	24,517	15,066	9,451
Other Objects	11-000-240-800	4,300	1,195	5,495	5,330	165
Total School Administration		862,137	18,923	881,060	812,079	68,981
Central Services:						
Salaries	11-000-251-100	348,667	(5,110)	343,557	341,581	1,976
Purchased Professional Services	11-000-251-330	11,850	12,104	23,954	17,009	6,945
Miscellaneous Purchased Services	11-000-251-592	11,485	(4,400)	7,085	5,503	1,582
Supplies & Materials	11-000-251-600	10,230	-	10,230	8,593	1,637
Miscellaneous Expenditures	11-000-251-890	3,600	(1,310)	2,290	2,290	-
Total Central Services		385,832	1,284	387,116	374,976	12,140

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Admin Info Technology:						
Salaries	11-000-252-100	66,823	32,710	99,533	99,533	-
Purchased Technical Services	11-000-252-340	77,176	(12,484)	64,692	64,692	-
Supplies & Materials	11-000-252-600	21,574	(10,191)	11,383	11,226	157
Total Admin Info Technology		165,573	10,035	175,608	175,451	157
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance Services						
Services	11-000-261-420	124,650	170,378	295,028	228,508	66,520
General Supplies	11-000-261-610	101,475	(44,093)	57,382	49,073	8,309
Other Objects	11-000-261-800	5,675	(3,292)	2,383	1,934	449
Total Regular Maintenance School Facilities		231,800	122,993	354,793	279,515	75,278
Custodial Services:						
Salaries	11-000-262-100	1,041,907	13,976	1,055,883	922,725	133,158
Salaries of Non-Instructional Aides	11-000-262-107	138,056	2,207	140,263	106,734	33,529
Health Benefits	11-000-262-270	265,000	(243,753)	21,247	16,214	5,033
Purchased Professional & Technical Services	11-000-262-300	32,800	20,625	53,425	50,402	3,023
Cleaning, Repair & Maintenance Services	11-000-262-420	60,800	(2,393)	58,407	43,006	15,401
Rental of Land & Buildings	11-000-262-441	3,550	(3,550)	-	-	-
Other Purchased Property Services	11-000-262-490	57,000	(57,000)	-	-	-
Insurance	11-000-262-520	112,200	-	112,200	106,946	5,254
Miscellaneous Purchased Services	11-000-262-590	2,900	(283)	2,617	2,617	-
General Supplies	11-000-262-610	92,115	(27,500)	64,615	51,414	13,201
Energy (Natural Gas)	11-000-262-621	130,000	41,758	171,758	152,504	19,254
Energy (Electricity)	11-000-262-622	437,000	(15,416)	421,584	397,894	23,690
Total Custodial Services		2,373,328	(271,329)	2,101,999	1,850,456	251,543
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service						
Service	11-000-263-420	26,500	1,748	28,248	25,283	2,965
General Supplies	11-000-263-610	33,200	(8,781)	24,419	22,016	2,403
Total Care & Upkeep of Grounds		59,700	(7,033)	52,667	47,299	5,368
Security:						
Purchased Professional & Technical Services						
Services	11-000-266-300	98,100	(5,461)	92,639	88,980	3,659
Cleaning, Repair & Maintenance Service						
Service	11-000-266-420	31,500	(8,765)	22,735	20,119	2,616
General Supplies	11-000-266-610	2,600	(1,000)	1,600	-	1,600
Other Objects	11-000-266-800	895	20	915	905	10
Total Security		133,095	(15,206)	117,889	110,004	7,885
Total Operation & Maintenance of Plant Services		2,797,923	(170,575)	2,627,348	2,287,274	340,074

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	(2,905)	17,095	17,095	-
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	40,000	(142)	39,858	33,847	6,011
Contracted Services (Between Home & School) - Vendors	11-000-270-512	30,900	(9,142)	21,758	19,201	2,557
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	4,000	99,433	103,433	77,845	25,588
Contracted Services (Special Education) - Vendors	11-000-270-514	-	80,071	80,071	79,873	198
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	360,000	(61,082)	298,918	298,918	-
Total Student Transportation Services		454,900	106,233	561,133	526,779	34,354
Personal Services - Employee Benefits:						
Social Security Contributions	11-000-291-220	296,000	344	296,344	226,584	69,760
Other Retirement Contributions - PERS						
Regular	11-000-291-241	296,000	(35,569)	260,431	250,727	9,704
	11-000-291-249	-	36,000	36,000	19,303	16,697
Unemployment Benefits	11-000-291-250	15,000	-	15,000	-	15,000
Workman's Compensation	11-000-291-260	169,000	(2,218)	166,782	146,541	20,241
Health Benefits	11-000-291-270	2,425,998	488,724	2,914,722	2,627,851	286,871
Tuition Reimbursement	11-000-291-280	20,000	51,830	71,830	54,678	17,152
Other Employee Benefits	11-000-291-290	308,300	(5,499)	302,801	167,990	134,811
Total Personal Services - Employee Benefits		3,530,298	533,612	4,063,910	3,493,674	570,236
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	903,959	(903,959)
On-Behalf TPAF Pension Contributions		-	-	-	3,441,065	(3,441,065)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,679	(1,679)
Reimbursed TPAF Social Security Contributions		-	-	-	743,569	(743,569)
Total Nonbudgeted		-	-	-	5,090,272	(5,090,272)
Total Undistributed Expenditures		13,380,100	440,124	13,820,224	17,335,855	(3,515,631)
Total Expenditures - Current Expense		22,855,180	144,659	22,999,839	25,888,942	(2,889,103)
Capital Outlay:						
Interest to Capital Reserve	10-604	2,000	-	2,000	-	2,000
Equipment:						
Regular Programs - Instruction:						
Administration Info Tech	12-000-252-730	7,681	-	7,681	-	7,681
Maintenance Services	12-000-261-730	21,500	30,272	51,772	50,228	1,544
Total Equipment		29,181	30,272	59,453	50,228	9,225

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	51,690	151,488	203,178	131,140	72,038
Construction Services	12-000-400-450	225,000	(124,632)	100,368	99,703	665
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277	-
Total Acquisition & Construction Services		289,967	26,856	316,823	244,120	72,703
Total Capital Outlay		321,148	57,128	378,276	294,348	83,928
Total Expenditures		23,176,328	201,787	23,378,115	26,183,290	(2,805,175)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,326,458)	(201,787)	(2,528,245)	1,190,364	3,718,609
Other Financing Sources\ (Uses):						
Transfer to Charter Schools	10-000-100-56X	(25,232)	25,232	-	-	-
Sources Over/(Under) Expenditures & Other Financing Uses		(2,351,690)	(176,555)	(2,528,245)	1,190,364	3,718,609
Fund Balances, July 1		11,194,808	-	11,194,808	11,194,808	-
Fund Balances, June 30		\$ 8,843,118	\$ (176,555)	\$ 8,666,563	\$ 12,385,172	\$ 3,718,609

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 176,555
Total Budget Transfers	<u>\$ 176,555</u>

RECAPITULATION

Restricted Fund Balance:	
Reserve for Excess Surplus	\$ 2,100,000
Maintenance Reserve	1,019,481
Capital Reserve Account	5,931,262
Reserve for New Jersey Unemployment Fund	233,668
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	2,000,000
Assigned Fund Balance:	
Year-End Encumbrances	44,075
Unassigned Fund Balance	<u>1,056,686</u>
Subtotal	12,385,172
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,104,206)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 11,280,966</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES:	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ 31,852	\$ 31,852	\$ 83,421	\$ 51,569
State Sources	1,681,564	660,202	2,341,766	1,432,185	(909,581)
Federal Sources	1,323,273	3,834,033	5,157,306	2,353,518	(2,803,788)
Total - Revenues	3,004,837	4,526,087	7,530,924	3,869,124	(3,661,800)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,262,252	582,855	1,845,107	1,128,021	717,086
Salaries of Aides	101,281	248,639	349,920	157,607	192,313
Professional Education Services	29,023	204,908	233,931	90,258	143,673
Other Purchased Services	10,000	78,028	88,028	5,903	82,125
General Supplies	203,433	879,142	1,082,575	506,475	576,100
Textbooks	9,410	28	9,438	9,410	28
Tuition	5,000	391,098	396,098	390,167	5,931
Total Instruction	1,620,399	2,384,698	4,005,097	2,287,841	1,717,256
Support Services:					
Other Salaries	50,000	83,258	133,258	85,982	47,276
Salaries of Community Parent Involvement	59,144	-	59,144	59,144	-
Salaries of Master Teachers	91,454	-	91,454	63,709	27,745
Purchased Technical Services Purchased	125,000	118,290	243,290	216,000	27,290
Educational Services	475,450	281,207	756,657	481,425	275,232
Other Employee Benefits	318,700	1,053,334	1,372,034	416,339	955,695
Other Purchased Services	25,000	6,160	31,160	11,539	19,621
Travel	10,000	15,000	25,000	20,611	4,389
Supplies & Materials	50,000	17,557	67,557	41,113	26,444
Student Activities	-	-	-	1,018	(1,018)
Total Support Services	1,204,748	1,574,806	2,779,554	1,396,880	1,382,674
Facilities Acquisition & Construction Services:					
Non-instructional Equipment	179,690	566,583	746,273	179,996	566,277
Total Facilities Acquisition & Construction Services	179,690	566,583	746,273	179,996	566,277
Total Expenditures	3,004,837	4,526,087	7,530,924	3,864,717	3,666,207
Total Outflows	3,004,837	4,526,087	7,530,924	3,864,717	3,666,207
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ 4,407	\$ 4,407
Fund Balance, July 1				\$ 3,358	
Fund Balance, June 30				\$ 7,765	

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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, 2023**

**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)	\$ 27,373,654	\$ 3,869,124
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	140
Current Year	-	(21,292)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,147,983	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,104,206)	-
	(1,104,206)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 27,417,431	\$ 3,847,972
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 26,183,290	\$ 3,864,717
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.	-	(21,152)
	-	(21,152)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 26,183,290	\$ 3,843,565

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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 TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.01983%	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)	\$ 2,992,467	\$ 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	1,537,837	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	194.59%	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	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 250,053	\$ 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	(250,053)	(232,540)	(211,619)	(184,205)	(203,265)	(188,055)	(195,906)	(195,114)	(177,045)	(172,525)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,537,837	\$ 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	16.26%	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).

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 TEN FISCAL YEARS

	2023	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%	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	41,065,604	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
	\$41,065,604	\$ 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	\$ 10,311,467	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	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).

**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 SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 2,376,140	\$ 2,680,274	\$ 1,430,271	\$ 1,371,668	\$ 1,481,803	\$ 1,797,478
Interest Cost	1,207,127	1,411,754	1,390,535	1,701,689	1,843,702	1,602,068
Differences Between Expected and Actual Experiences	921,736	(10,578,460)	10,024,918	(6,850,594)	(4,655,118)	-
Changes of Assumptions	(12,219,213)	53,691	11,312,542	578,773	(4,954,233)	(6,676,316)
Contributions: Member	38,358	36,092	32,679	35,322	39,898	43,131
Gross Benefit Payments	(1,195,695)	(1,112,067)	(1,078,156)	(1,191,583)	(1,154,411)	(1,171,323)
Net Change in District's Total OPEB Liability	(8,871,547)	(7,508,716)	23,112,789	(4,354,725)	(7,398,359)	(4,404,962)
District's Total OPEB Liability (Beginning)	54,421,610	61,930,326	38,817,537	43,172,262	50,570,621	54,975,583
District's Total OPEB Liability (Ending)	<u>\$ 45,550,063</u>	<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	\$ 11,339,976	\$ 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	402%	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, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

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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, 2023**

	TITLE I PART A	TITLE II PART A	TITLE III PART A	TITLE IV PART A	CARES	ARP HCY	ADDRESSING STUDENT LEARNING	ARP PRESCHOOL	IDEA - B BASIC	IDEA - B PRESCHOOL
Revenues:										
Federal Sources	\$ 363,247	\$ 44,991	\$ 8,230	\$ 21,629	\$ 9,534	\$ 33,369	\$ 94,217	\$ 4,663	\$ 438,903	\$ 13,159
Total Revenues	\$ 363,247	\$ 44,991	\$ 8,230	\$ 21,629	\$ 9,534	\$ 33,369	\$ 94,217	\$ 4,663	\$ 438,903	\$ 13,159
Expenditures:										
Instruction:										
Salaries of Teachers	\$ 231,032	\$ -	\$ 5,450	\$ -	\$ -	\$ -	\$ 45,605	\$ -	\$ -	\$ -
Salaries of Aides	-	-	-	-	-	-	-	-	-	-
Professional Education Services	-	-	-	-	-	-	7,476	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	4,663	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	342,939	13,159
General Supplies	6,127	-	-	16,566	392	-	41,136	-	2,530	-
Total Instruction	237,159	-	5,450	16,566	392	-	94,217	4,663	345,469	13,159
Support Services:										
Other Salaries	-	26,880	-	-	-	-	-	-	-	-
Purchased Technical Services	-	10,000	-	5,063	-	23,999	-	-	80,934	-
Other Employee Benefits	116,188	-	2,780	-	-	-	-	-	-	-
Other Purchased Services	9,900	-	-	-	4,922	6,995	-	-	-	-
Travel	-	8,111	-	-	-	-	-	-	12,500	-
Supplies & Materials	-	-	-	-	4,220	2,375	-	-	-	-
Total Support Services	126,088	44,991	2,780	5,063	9,142	33,369	-	-	93,434	-
Total Expenditures	\$ 363,247	\$ 44,991	\$ 8,230	\$ 21,629	\$ 9,534	\$ 33,369	\$ 94,217	\$ 4,663	\$ 438,903	\$ 13,159

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	NONPUBLIC				CHAPTER 192 AUXILIARY SERVICES		CLIMATE AWARENESS	PRESCHOOL EDUCATION EXPANSION AID
	TEXTBOOK	NURSING	SECURITY	TECHNOLOGY	COMPENSATORY EDUCATION	HOME INSTRUCTION		
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,840
State Sources	9,410	16,016	18,584	5,977	44,078	1,240	6,076	1,293,327
Total Revenues	\$ 9,410	\$ 16,016	\$ 18,584	\$ 5,977	\$ 44,078	\$ 1,240	\$ 6,076	\$ 1,348,167
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478,625
Salaries of Aides	-	-	-	-	-	-	-	100,435
Professional Education Services	-	-	-	-	44,078	-	-	26,227
Purchased Professional & Technical Services	-	-	-	-	-	1,240	-	-
General Supplies	-	-	-	5,977	-	-	6,076	72,390
Textbooks	9,410	-	-	-	-	-	-	-
Total Instruction	9,410	-	-	5,977	44,078	1,240	6,076	677,677
Support Services:								
Other Salaries	-	-	-	-	-	-	-	48,758
Salaries of Community Parent Involvement	-	-	-	-	-	-	-	59,144
Salaries of Master Teachers	-	-	-	-	-	-	-	63,709
Other Employee Benefits	-	-	-	-	-	-	-	120,372
Purchased Technical Services	-	16,016	-	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-	-	-	223,511
Other Purchased Services (400-500)	-	-	-	-	-	-	-	-
Supplies & Materials	-	-	18,584	-	-	-	-	-
Total Support Services	-	16,016	18,584	-	-	-	-	515,494
Facilities Acquisition & Construction Services:								
Non-instructional Equipment	-	-	-	-	-	-	-	154,996
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	154,996
Total Expenditures	\$ 9,410	\$ 16,016	\$ 18,584	\$ 5,977	\$ 44,078	\$ 1,240	\$ 6,076	\$ 1,348,167

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	CHAPTER 193 HANDICAPPED SERVICES											2023
	CORRECTIVE SPEECH	EXAMINATION AND CLASSIFICATION	SDA EMERGENT & CAPITAL MAINTENANCE	MENTAL HEALTH	ARP ESSER	CRRSA	LEARNING ACCELERATION	WSCC	SCHOOL HEALTH INSURANCE FUND	STUDENT ACTIVITIES		
Revenues:												
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,174	\$ 17,982	\$ 5,425	\$ 83,421	
State Sources	10,617	1,860	25,000	-	-	-	-	-	-	-	1,432,185	
Federal Sources	-	-	-	30,294	839,514	411,780	39,988	-	-	-	2,353,518	
Total Revenues	\$ 10,617	\$ 1,860	\$ 25,000	\$ 30,294	\$ 839,514	\$ 411,780	\$ 39,988	\$ 5,174	\$ 17,982	\$ 5,425	\$ 3,869,124	
Expenditures:												
Instruction:												
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ 168,407	\$ 168,157	\$ 30,745	\$ -	\$ -	\$ -	\$ 1,128,021	
Salaries of Aides	-	-	-	-	57,172	-	-	-	-	-	157,607	
Purchased Professional & Educational Services	10,617	1,860	-	-	-	-	-	-	-	-	90,258	
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	5,903	
General Supplies	-	-	-	-	288,025	61,797	2,785	2,674	-	-	506,475	
Textbooks	-	-	-	-	-	-	-	-	-	-	9,410	
Tuition	-	-	-	-	34,069	-	-	-	-	-	390,167	
Total Instruction	10,617	1,860	-	-	547,673	229,954	33,530	2,674	-	-	2,287,841	
Support Services:												
Other Salaries	-	-	-	-	-	-	4,000	2,500	3,844	-	85,982	
Salaries of Community Parent Involvement	-	-	-	-	-	-	-	-	-	-	59,144	
Salaries of Master Teachers	-	-	-	-	-	-	-	-	-	-	63,709	
Purchased Technical Services	-	-	-	-	-	79,988	-	-	-	-	216,000	
Purchased Educational Services	-	-	-	23,721	202,326	-	-	-	10,050	-	481,425	
Other Employee Benefits	-	-	-	-	88,565	88,434	-	-	-	-	416,339	
Other Purchased Services (400-500)	-	-	-	3,499	-	8,040	-	-	-	-	11,539	
Travel	-	-	-	-	-	-	-	-	-	-	20,611	
Supplies & Materials	-	-	-	3,074	950	5,364	2,458	-	4,088	-	41,113	
Student Activities	-	-	-	-	-	-	-	-	-	1,018	1,018	
Total Support Services	-	-	-	30,294	291,841	181,826	6,458	2,500	17,982	1,018	1,396,880	
Facilities Acquisition & Construction Services:												
Facility Improvements	-	-	25,000	-	-	-	-	-	-	-	25,000	
Non-instructional Equipment	-	-	-	-	-	-	-	-	-	-	154,996	
Total Facilities Acquisition & Construction Services	-	-	25,000	-	-	-	-	-	-	-	179,996	
Total Expenditures	10,617	1,860	25,000	30,294	839,514	411,780	39,988	5,174	17,982	1,018	3,864,717	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	4,407	4,407	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	3,358	3,358	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,765	\$ 7,765	

**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, 2023**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 512,252	\$ 478,625	\$ 33,627
Other Salaries for Instruction	101,281	100,435	846
Purchased Professional Services	30,000	26,227	3,773
Supplies	173,433	72,390	101,043
Other Objects	5,000	-	5,000
	<hr/>	<hr/>	<hr/>
Total Instruction	821,966	677,677	144,289
	<hr/>	<hr/>	<hr/>
Support Services:			
Other Salaries	54,480	48,758	5,722
Salaries of Community Parent Involvement	59,144	59,144	-
Salaries of Master Teachers	91,454	63,709	27,745
Purchased Educational Services	255,450	223,511	31,939
Other Employee Benefits	318,700	120,372	198,328
Travel	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
Total Support Services	789,228	515,494	273,734
	<hr/>	<hr/>	<hr/>
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	179,690	154,996	24,694
	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition & Construction Services	179,690	154,996	24,694
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 1,790,884	\$ 1,348,167	\$ 442,717
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 1,434,510
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	698,214
Add: Budgeted Transfer from the General Fund	54,840
	<hr/>
Total Preschool Education Aid Funds Available for 2022-2023 Budget	2,187,564
Less: 2022-2023 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(1,790,884)
	<hr/>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2023	396,680
Add: June 30, 2023 Unexpended Preschool Education Aid	442,717
	<hr/>
Total Actual Preschool Education Aid Carryover	\$ 839,397
	<hr/> <hr/>
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	\$ 451,162
	<hr/> <hr/>

F. Capital Projects Fund

Not Applicable

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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, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
General Obligation Bonds	7/1/2015	\$ 6,939,000	N/A	N/A	N/A	\$ 315,000	-	\$ 315,000	-
Refunding School Bonds-2021	10/13/2021	5,215,000	07/01/2023	\$ 375,000	0.55%	5,215,000	-	75,000	5,140,000
			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	\$ -	\$ 390,000	\$ 5,140,000

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SERIES	DATE OF NOTE	TERM OF NOTE	ORIGINAL AMOUNT		AMOUNT OUTSTANDING JUNE 30, 2022	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2023
			PRINCIPAL	INTEREST				
Duplicating Machines: Copiers	12/28/2017	5 Years	\$ 197,106	\$ 18,894	\$ 17,571	\$ -	\$ 17,571	\$ -
Classroom Equipment Interactive Whiteboards	8/1/2018	5 Years	120,000	8,855	24,000	-	24,000	-
Classroom Equipment Interactive Whiteboards	9/1/2018	5 Years	220,000	12,794	88,000	-	44,000	44,000
Classroom Equipment Interactive Whiteboards	4/1/2020	5 Years	110,000	5,074	66,000	-	22,000	44,000
Total					\$ 195,571	\$ -	\$ 107,571	\$ 88,000

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 167,836	\$ -	\$ 167,836	\$ 167,836	\$ -
Interest	-	-	-	2,072	2,072
Total Revenues	167,836	-	167,836	169,908	2,072
Expenditures:					
Regular Debt Service:					
Principal	75,000	-	75,000	390,000	(315,000)
Interest	93,613	-	93,613	98,338	(4,725)
Total Expenditures	168,613	-	168,613	488,338	(319,725)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(777)	-	(777)	(318,430)	(317,653)
Other Financing Sources/(Uses):					
Operating Transfers In	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(777)	-	(777)	(318,430)	(317,653)
Fund Balances July 1,	288,835	-	288,835	288,835	-
Fund Balances June 30,	\$ 288,058	\$ -	\$ 288,058	\$ (29,595)	\$ (317,653)

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	OUTSTANDING BALANCE 2022	ADDITIONS/ DEDUCTIONS	OUTSTANDING BALANCE 2023
Compensated Absences	\$ 613,051	\$ 43,825	\$ 656,876

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital, Assets Restricted	\$ 23,583,175	\$ 23,555,781	\$ 23,041,848	\$ 23,143,204	\$ 22,633,285	\$ 21,956,451	\$ 21,755,250	\$ 22,113,558	\$ 16,362,715	\$ 13,560,207
Capital Projects	5,931,262	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069
Debt Service	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762	-
New Jersey Unemployment Fund	233,668	186,851	176,599	-	-	-	-	-	-	-
Student Activities	7,765	3,358	8,419	-	-	-	-	-	-	-
Other Purposes	5,119,481	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
Unrestricted	(3,981,597)	(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)
Total Governmental Activities	\$ 30,864,159	\$ 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
Business-Type Activities:										
Net Investment in Capital, Assets Unrestricted	\$ 157,732	\$ 1117,787	\$ 131,148	\$ 8,966	\$ 8,966	\$ 8,566	\$ 17,271	\$ 25,947	\$ 31,008	\$ 42,161
Unrestricted	380,200	320,847	102,953	163,391	127,153	104,020	169,115	138,868	104,099	117,312
Total Business-Type Activities	\$ 537,932	\$ 438,634	\$ 234,101	\$ 172,357	\$ 136,119	\$ 112,586	\$ 186,386	\$ 164,815	\$ 135,107	\$ 159,473
Government-Wide:										
Net Investment in Capital, Assets Restricted:	\$ 23,740,907	\$ 23,673,568	\$ 23,172,996	\$ 23,152,170	\$ 22,642,251	\$ 21,965,017	\$ 21,772,521	\$ 22,139,505	\$ 16,393,723	\$ 13,602,368
Capital Projects	5,931,262	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248	-	115,069
Debt Service	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762	-
New Jersey Unemployment	233,668	186,851	176,599	-	-	-	-	-	-	-
Student Activities	7,765	3,358	8,419	-	-	-	-	-	-	-
Other Purposes	5,119,481	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
Unrestricted	(3,601,397)	(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)
Total District Net Position	\$ 31,402,091	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,182,671	\$ 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
Special Education	2,962,878	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
Other Instruction	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399	447,418
Support Services & Undistributed Costs:										
Tuition	1,354,136	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391
Student & Instruction Related Services	3,795,787	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
General Administrative Services	441,024	435,783	501,277	443,119	458,771	413,852	379,281	340,412	353,946	372,782
School Administrative Services	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063	687,619
Central Services	550,427	598,534	568,775	557,810	517,673	502,389	506,466	466,135	448,173	418,467
Plant Operations & Maintenance	2,179,703	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
Pupil Transportation	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534	325,450
Unallocated Benefits	5,855,387	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
Changes in Long-Term Debt	110,647	342,443	188,886	287,936	225,921	311,642	277,390	305,584	118,547	(118,023)
Unallocated Depreciation	931,244	831,852	925,786	872,633	793,058	707,170	647,006	440,877	255,799	132,723
Capital Asset Adjustments	-	-	-	-	279,998	-	-	-	-	-
Total Governmental Activities Expense	27,758,272	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
Business-Type Activities:										
Food Service	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455	523,025
Total Business-Type Activities Expense	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455	523,025
Total District Expenses	\$ 28,402,881	\$ 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
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 6,687,289	\$ 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
Total Governmental Activities Program Revenues	6,687,289	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
Business-Type Activities:										
Charges for Services:										
Food Service	103,326	11,818	5,742	99,337	122,043	130,749	118,697	125,126	137,893	157,605
Operating Grants & Contributions	634,421	803,413	201,839	365,827	413,004	433,151	406,867	398,279	347,101	338,960
Total Business Type Activities Program Revenues	737,747	815,231	207,581	465,164	535,047	563,900	525,564	523,405	484,994	496,565
Total District Program Revenues	\$ 7,425,036	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue:										
Governmental Activities	\$ (21,070,983)	\$ (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)
Business-Type Activities	93,138	204,281	(46,839)	33,322	20,291	(75,747)	20,987	29,525	(24,461)	(26,460)
Total Government-Wide Net Expense	\$ (20,977,845)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for										
General Purposes, Net	\$ 8,721,484	\$ 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
Unrestricted Grants & Contributions	13,132,573	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
Investment Earnings	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608	5,800
Miscellaneous Income	638,938	307,311	347,931	717,419	515,937	492,265	426,076	288,937	208,059	584,675
Gain/Loss on Capital Assets	-	-	(222,529)	-	-	-	-	-	-	-
Total Governmental Activities	22,497,067	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
Business-Type Activities:										
Investment Earnings	3,416	252	261	2,916	3,242	1,947	584	183	95	108
Adjustment to Capital Assets	2,744	-	108,322	-	-	-	-	-	-	5,921
Total Business-Type Activities	6,160	252	108,583	2,916	3,242	1,947	584	183	95	6,029
Total Government-Wide	\$ 22,503,227	\$ 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
Change in Net Position:										
Governmental Activities	\$ 1,426,084	\$ 1,079,705	\$ (823,282)	\$ 1,518,696	\$ 504,242	\$ 1,122,064	\$ 44,243	\$ 7,150,203	\$ 2,813,262	\$ 2,246,883
Business-Type Activities	99,298	204,533	61,744	36,238	23,533	(73,800)	21,571	29,708	(24,366)	(20,431)
Total District	\$ 1,525,382	\$ 1,284,238	\$ (761,538)	\$ 1,554,934	\$ 527,775	\$ 1,048,264	\$ 65,814	\$ 7,179,911	\$ 2,788,896	\$ 2,226,452

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted for:										
Capital Reserve	\$ 5,931,262	\$ 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
Emergency Reserve	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Maintenance Reserve	1,019,481	762,382	908,782	962,782	651,782	965,782	965,782	965,782	865,782	978,607
New Jersey Unemployment Fund	233,668	186,851	176,599	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-
Excess Surplus	2,100,000	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000
Excess Surplus - Designated for Subsequent Year's Expenditures	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000	630,593
Assigned to:										
Other Purposes	44,075	176,555	46,495	162,713	-	-	-	-	-	-
Designated for Subsequent Year's Expenditures	-	-	-	-	-	-	-	-	-	-
Unassigned	(47,520)	(40,309)	(131,818)	(621,021)	(288,504)	(315,906)	(368,193)	(356,354)	(43,660)	(439,172)
Total General Fund	\$ 11,280,966	\$ 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
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	\$ 7,765	\$ 3,358	\$ 8,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	(29,595)	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	\$ (21,830)	\$ 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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local Tax Levy	\$ 8,721,484	\$ 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
Tuition Charges	318,485	215,502	285,998	544,287	377,752	204,659	243,834	141,226	162,954	314,831
Transportation	-	-	27,748	-	-	-	-	-	-	-
Interest Earnings	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608	5,800
Miscellaneous	403,874	111,953	38,534	178,945	146,958	287,606	128,480	140,479	45,105	269,844
State Sources	19,550,619	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
Federal Sources	2,436,777	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
Total Revenue	31,435,311	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
Expenditures:										
Instruction:										
Regular Instruction	7,182,671	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
Special Education Instruction	2,962,878	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
Other Special Instruction	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399	447,418
Support Services & Undistributed Costs:										
Tuition	1,354,136	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496	844,523	870,391
Student & Instruction Related Services	3,795,787	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
School Administrative Services	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063	687,619
General Administrative Services	991,451	1,034,317	1,070,052	1,000,929	976,444	916,241	885,747	806,547	788,842	769,153
Plant Operations & Maintenance	2,287,274	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
Pupil Transportation	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534	325,450
Unallocated Benefits	8,583,946	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
Interest & Other Charges	111,615	224,878	193,526	201,167	212,644	326,400	241,582	322,898	-	-
Capital Outlay	461,067	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
Debt Service:										
Principal	390,000	305,000	300,000	285,000	275,000	255,000	240,000	-	-	-
Total Expenditures	30,515,193	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	920,118	(243,712)	284,026	1,063,017	(980,448)	947,114	(1,584,652)	(2,358,432)	22,868	358,686
Other Financing Sources/(Uses):										
Financed Purchases	-	-	-	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	\$ 920,118	\$ (148,115)	\$ 284,026	\$ 1,173,017	\$ (666,522)	\$ 947,114	\$ (1,530,890)	\$ (2,351,200)	\$ 6,823,088	\$ 642,857
Debt Service as a Percentage of Noncapital Expenditures	1.30%	1.08%	1.21%	1.24%	1.20%	1.19%	1.15%	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
2023	\$ 120,694	\$ 2,000	\$ 318,485	\$ -	\$ 199,759	\$ 640,938
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	490,083
2017	-	22,192	243,834	-	120,591	386,617
2016	-	26,500	141,226	-	135,336	303,062
2015	3,846	14,785	162,954	-	32,791	214,376
2014	3,800	23,608	314,831	-	114,020	456,259

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
2023	11,556,900	514,688,000	N/A	7,100	94,281,200	7,831,800	22,342,100	650,707,100	5,305,332	656,012,432	321,754,700	N/A	650,707,100
2022	10,509,000	512,659,500	N/A	7,100	92,324,200	7,831,800	22,629,500	645,961,100	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	659,943,148	6,305,286	653,210,286	314,093,200	1.338	675,855,045
2020	10,063,000	503,789,300	N/A	7,100	93,691,700	8,022,800	21,215,200	645,899,878	6,110,778	645,899,878	315,327,100	1.325	658,210,959
2019	11,234,300	503,795,500	N/A	7,100	93,878,300	8,022,800	20,242,100	637,180,100	6,002,524	643,182,624	310,697,500	1.315	626,691,338
2018	11,360,300	504,134,200	N/A	7,100	94,165,800	8,136,400	19,432,300	637,236,100	5,930,958	643,167,058	310,996,300	1.307	612,442,130
2017	11,546,600	505,288,700	N/A	7,100	94,484,700	8,136,400	19,432,300	638,895,800	5,875,968	644,771,768	311,370,800	1.279	604,526,993
2016	11,543,000	506,972,300	N/A	7,100	93,068,400	8,136,400	19,470,000	639,197,200	5,622,546	644,819,746	311,568,700	1.230	595,356,898
2015	11,853,500	508,003,300	N/A	7,100	93,835,500	8,136,400	19,445,000	641,280,800	5,439,973	646,720,773	296,032,400	1.167	595,346,901
2014	11,313,500	516,060,100	N/A	7,100	94,111,100	8,406,600	19,255,200	649,153,600	5,389,334	654,542,934	286,322,000	1.111	615,244,409

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			TOWNSHIP OF MOUNT HOLLY				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	TAX RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	REGIONAL SCHOOL	FIRE DISTRICT	BURLINGTON COUNTY	REGIONAL SCHOOL	FIRE DISTRICT	BURLINGTON COUNTY		
2023	N/A	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	1.337	-	1.337	0.866	0.187	0.346	0.044	0.187	0.346	0.346	2.780
2021	1.338	-	1.338	0.837	0.177	0.353	0.427	0.177	0.353	0.353	3.132
2020	1.328	-	1.328	0.822	0.096	0.350	0.413	0.096	0.350	0.350	3.009
2019	1.315	-	1.315	0.822	0.097	0.328	0.369	0.097	0.328	0.328	2.931
2018	1.307	-	1.307	0.791	0.097	0.327	0.364	0.097	0.327	0.327	2.886
2017	1.279	-	1.279	0.746	0.096	0.314	0.361	0.096	0.314	0.314	2.796
2016	1.230	-	1.230	0.799	0.096	0.310	0.362	0.096	0.310	0.310	2.797
2015	1.130	-	1.130	0.718	0.091	0.306	0.349	0.091	0.306	0.306	2.594
2014	1.111	-	1.111	0.687	0.091	0.357	0.354	0.091	0.357	0.357	2.600
2013	1.092	-	1.092	0.638	0.090	0.366	0.372	0.090	0.366	0.366	2.558

Source: Municipal Tax Collector

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

TAXPAYER	2023		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
	Not Available		
Total	\$ -		0.00%

TAXPAYER	2014		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
Levine Properties, LLC	12,967,000	1	1.97%
Mount Holly Associates	11,220,000	2	1.78%
Verizon Property Tax Department	7,669,457	3	1.48%
Virtua Memorial Hospital	6,781,800	4	1.05%
Mount Holly Equities	5,731,700	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	2,423,900	8	0.40%
Baird, LLC % Marvin F. Poer	2,349,700	9	0.36%
Public Storage Inc.	1,976,000	10	0.30%
	\$ 58,724,957		9.42%

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	
2023	8,721,484	8,721,484	100.00%	-
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%	-

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	FINANCED PURCHASES			
2023	\$ 5,140,000	\$ 88,000	\$ 5,228,000	N/A	N/A
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

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			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2023	\$ 5,140,000	\$ -		\$ 5,140,000	0.79%	N/A
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	-		6,939,000	1.08%	727
2014	-	-		-	-	-

- 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, 2023**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 14,131,300	100.000%	\$ 14,131,300
Rancocas Valley Regional High School	26,370,000	13.879%	3,659,862
Burlington County General Obligation Debt	161,356,421	1.396%	<u>2,252,776</u>
Subtotal, Overlapping Debt			20,043,938
Mount Holly School District			<u>5,140,000</u>
Total Direct & Overlapping Debt			<u>\$ 25,183,938</u>

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

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

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 23,010,133	\$ 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
Total Net Debt Applicable to Limit	5,140,000	5,530,000	5,584,000	5,884,000	6,169,000	644,000	6,699,000	6,939,000	6,939,000	-
Legal Debt Margin	\$ 17,870,133	\$ 17,459,609	\$ 16,847,371	\$ 12,552,605	\$ 12,210,785	\$ 17,380,787	\$ 12,718,430	\$ 12,573,362	\$ 12,642,640	\$ 19,268,751
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.34%	24.05%	24.89%	31.91%	33.56%	3.57%	34.50%	35.56%	35.44%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	
2022	\$ 645,961,100
2021	663,357,550
2020	662,978,437
	<u>\$ 1,972,297,087</u>
Debt Limit (3.0% of Average Equalization Value) Net Bonded School Debt	<u>\$ 657,432,362</u>
Legal Debt Margin	<u>\$ 19,722,971</u> <u>\$ 5,140,000</u> <u>\$ 14,582,971</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
2023	N/A	N/A	N/A	4.9%
2022	N/A	N/A	N/A	7.4%
2021	9,977	694,818,234	69,642	5.0%
2020	9,525	639,641,850	67,154	4.7%
2019	9,551	593,308,120	62,120	5.5%
2018	9,561	567,818,229	59,389	4.2%
2017	9,594	554,552,388	57,802	4.5%
2016	9,578	538,877,436	56,262	7.0%
2015	9,548	513,300,480	53,760	8.5%
2014	9,500	490,409,000	51,622	10.8%

Source:

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

b Personal income calculated using population and per capita personal income

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

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

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

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

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	55	53	51	49	47	49	52	54	55	69
Special Education	22	29	21	20	15	15	13	16	20	28
Other Special Education	18	9	10	10	10	11	11	11	11	16
Other Instruction	24	23	20	21	19	18	17	15	11	11
Support Services:										
Student & Instruction Related Services	18	16	17	16	17	13	14	13	9	9
School Administrative Services	16	17	16	12	13	14	13	14	14	13
General & Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	15	14	13	14	14	13	12	16	13	16
Total	174	167	154	148	141	139	138	145	139	168

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES ^a	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF ^b	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) ^c	AVERAGE DAILY ATTENDANCE (ADA) ^c	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2023	1,140	25,888,942	\$ 22,710	11.82%	119	1-10.4	1-10.4	1,107	1,020	3.76%	92.64%
2022	1,040	24,263,577	23,330	9.06%	114	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%

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	357	292	276	342	403	374	371	349	354	388
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	331	310	324	312	321	309	314	325	351	315
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	452	439	410	424	340	352	312	310	272	317
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, 2023:

Elementary = 2

Middle School = 1

Senior High School = 0

Other = 0

Source: District Facilities Office

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

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

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

* SCHOOL FACILITIES	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
John Brainerd School	\$ 67,830	\$ 68,900	\$ 69,949	\$ 35,694	\$ 136,723	\$ 41,699	\$ 42,099	\$ 24,565	\$ 48,390	\$ 30,115
Gertrude Folwell School	84,535	132,275	58,551	61,772	181,044	36,039	33,639	34,063	75,722	56,359
F.W. Holbein Schools	127,150	176,791	78,321	84,118	254,438	44,020	51,608	60,880	62,437	63,460
Total School Facilities	\$ 279,515	\$ 377,966	\$ 206,822	\$ 181,584	\$ 572,205	\$ 121,758	\$ 127,346	\$ 119,508	\$ 186,549	\$ 149,934

* 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, 2023**

	Coverage	Deductible/Retention
Commercial Package Policy: (1)		
Building & Contents (All locations)	\$ 62,141,862	\$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, 2023, 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 December 12, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to

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be a material weakness, as described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001.

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 2023-001.

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
December 12, 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, 2023. 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, 2023.

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.

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
December 12, 2023

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	ADJUSTMENTS	BALANCE AT JUNE 30, 2023	
											(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Agriculture												
Pass Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program (Noncash Assistance)	10.555	23NJ304N1099	Unavailable	\$ 76,904	7/1/22-6/30/23	\$ -	\$ 76,904	\$ (72,204)	\$ -	\$ -	\$ -	\$ 4,700
COVID-19 Food Distribution Program (Noncash Assistance)	10.555	22NJ304N1099	Unavailable	47,146	7/1/21-6/30/22	6,189	-	(6,189)	-	-	-	-
National School Lunch Program	10.555	23NJ304N1099	100-010-3350-026	385,351	7/1/22-6/30/23	(42,049)	365,250	(385,351)	-	-	(20,101)	-
COVID-19 National School Lunch Program	10.555	22NJ304N1099	100-010-3350-026	593,388	7/1/21-6/30/22	-	42,049	-	-	-	-	-
After School Snack Program	10.555	23NJ304N1099	100-010-3350-026	13,584	7/1/22-6/30/23	-	13,357	(13,584)	-	-	(227)	-
COVID-19 Supply Assistance Award	10.555	23NJ304N1099	100-010-3350-026	61,891	7/1/21-6/30/22	(35,860)	61,891	(61,891)	-	-	-	-
Subtotal				559,451		(35,860)	559,451	(539,219)	-	-	(20,328)	4,700
National Breakfast Program	10.553	23NJ304N1099	100-010-3350-028	81,127	7/1/22-6/30/23	-	76,284	(81,127)	-	-	(4,843)	-
COVID-19 National Breakfast Program	10.553	22NJ304N1099	100-010-3350-028	43,460	7/1/21-6/30/22	(8,518)	8,518	-	-	-	-	-
Subtotal				124,587		(8,518)	84,802	(81,127)	-	-	(4,843)	-
Total Child Nutrition Cluster				684,038		(44,378)	644,253	(620,346)	-	-	(25,171)	4,700
Total U.S. Department of Agriculture				684,038		(44,378)	644,253	(620,346)	-	-	(25,171)	4,700
U.S. Department of Education												
Passed Through New Jersey Department of Education:												
Title I - Part A - Current Year	84.010	S010A220030	100-034-5064-194	354,484	7/1/22-9/30/23	-	180,034	(338,446)	-	-	(158,412)	-
Title I - Part A - Prior Year	84.010	S010A210030	100-034-5064-194	397,135	7/1/21-9/30/22	(155,102)	179,903	(24,801)	-	-	-	-
Subtotal				751,619		(155,102)	359,937	(363,247)	-	-	(158,412)	-
Title II - Part A - Current Year	84.367A	S367A220029	100-034-5063-290	48,386	7/1/22-9/30/23	-	-	(27,294)	-	-	(27,294)	-
Title II - Part A - Prior Year	84.367A	S367A210029	100-034-5063-290	50,357	7/1/21-9/30/22	(26,392)	44,089	(17,697)	-	-	-	-
Subtotal				98,743		(26,392)	44,089	(44,991)	-	-	(27,294)	-
Title III - Current Year	84.365	S365A220030	100-034-5064-187	8,230	7/1/22-9/30/23	-	8,230	(8,230)	-	-	-	-
Title III - Prior Year	84.365	S365A210030	100-034-5064-187	32,337	7/1/20-9/30/21	(5,395)	-	-	-	-	(5,395)	-
Subtotal				40,567		(5,395)	8,230	(8,230)	-	-	(5,395)	-
Title IV - Part A - Current Year	84.424	S424A220031	100-034-5069-031	32,603	7/1/22-9/30/23	-	20,613	(21,629)	-	-	(1,016)	-
Title IV - Part A - Prior Year	84.424	S424A210031	100-034-5069-031	31,929	7/1/21-9/30/22	(1,901)	1,901	-	-	-	-	-
Subtotal				64,532		(1,901)	22,514	(21,629)	-	-	(1,016)	-
COVID-19 CARES	84.425D	S425D210027	100-034-5120-518	350,198	3/13/20-9/30/23	-	9,534	(9,534)	-	-	-	-
COVID-19 CRSSA ESSER II	84.425D	S425D210027	100-034-5120-518	1,433,738	3/13/20-9/30/23	(204,488)	498,078	(411,780)	-	-	(118,190)	-
COVID-19 CRSSA Learning Acceleration	84.425D	S425D210027	100-034-5120-518	92,010	3/13/20-9/30/23	(12,121)	32,639	(39,988)	-	-	(19,470)	-
COVID-19 CRSSA Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(1,151)	14,629	(30,294)	-	-	(16,816)	-
COVID-19 Addressing Student Learning Loss Comp	84.425D	S425D210027	100-034-5120-518	156,425	3/13/20-9/30/23	(798)	95,015	(94,217)	-	-	(126,648)	-
ARP ESSER III	84.425U	S425U210027	100-034-5120-523	3,222,233	3/13/20-9/30/24	-	651,194	(777,842)	-	-	(126,648)	-
ARP Learning Coaching & Support	84.425U	S425U210027	100-034-5120-523	107,923	3/13/20-9/30/24	-	44,294	(61,672)	-	-	(17,378)	-
ARP Homeless Children and Youth	84.425W	S425W210027	100-034-5120-523	88,501	3/13/20-9/30/24	-	32,621	(33,369)	-	-	(748)	-
Subtotal				5,337,928		(218,558)	1,378,004	(1,458,696)	-	-	(299,250)	-
I.D.E.A. Part B (Special Education Cluster)												
Basic- Current Year	84.027	H027A220100	100-034-5065-016	419,218	7/1/22-9/30/23	-	100,000	(438,903)	-	-	(338,903)	-
Basic- Prior Year	84.027	H027A210100	100-034-5065-016	394,674	7/1/21-9/30/22	(7,490)	7,490	-	-	-	-	-
Subtotal				813,892		(7,490)	107,490	(438,903)	-	-	(338,903)	-
Preschool - Current Year	84.173	H173A220114	100-034-5065-020	13,159	7/1/22-9/30/23	-	-	(13,159)	-	-	(13,159)	-
Subtotal				13,159		-	-	(13,159)	-	-	(13,159)	-
ARP Preschool - Current Year	84.173X	H173X210114	100-034-5065-095	5,188	7/1/21-9/30/22	4,663	-	(4,663)	-	-	-	-
Total Special Education Cluster				822,249		(2,827)	107,490	(456,725)	-	-	(352,062)	-
Total Department of Education				822,249		(410,175)	1,920,264	(2,353,518)	-	-	(843,429)	-
U.S. Department of Health and Human Services												
Passed Through New Jersey Department of Human Services:												
Medical Assistance Program (SEMI)	93.778	2205N15MAP	100-054-7540-211	54,079	7/1/22-6/30/23	-	54,079	(54,079)	-	-	-	-
SEMI/FFCRA	93.778	2205N15MAP	100-054-7540-211	29,180	7/1/22-6/30/23	-	29,180	(29,180)	-	-	-	-
Subtotal				83,259		-	83,259	(83,259)	-	-	-	-
Total U.S. Department of Health and Human Services				83,259		-	83,259	(83,259)	-	-	-	-
Total U.S. Department of Education				2,003,523		(410,175)	2,003,523	(2,436,777)	-	-	(843,429)	-
Total Federal Financial Assistance				2,647,776		(454,553)	2,647,776	(3,057,123)	-	-	(868,600)	4,700

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, 2023**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023		MEMO	
									(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE
State Department of Education:												
General Fund:												
Equalization Aid	495-034-5120-078	\$9,985,907	7/1/22-6/30/23	\$ -	\$ 9,985,907	\$ (9,985,907)	\$ -	\$ -	\$ -	\$ -	\$ 899,132	\$ 9,985,907
Adjustment Aid	495-034-5120-085	1,025,803	7/1/22-6/30/23	-	1,025,803	(1,025,803)	-	-	-	-	93,647	1,025,803
Categorical Security Aid	495-034-5120-084	337,977	7/1/22-6/30/23	-	337,977	(337,977)	-	-	-	-	30,854	337,977
Categorical Special Education Aid	495-034-5120-089	755,237	7/1/22-6/30/23	-	755,237	(755,237)	-	-	-	-	68,946	755,237
Total State Aid Public				-	12,104,924	(12,104,924)	-	-	-	-	1,092,579	12,104,924
Categorical Transportation Aid	495-034-5120-014	127,355	7/1/22-6/30/23	-	127,355	(127,355)	-	-	-	-	11,627	127,355
Reimbursement of Nonpublic	22-103190	9,672	7/1/22-6/30/23	-	-	(9,672)	-	-	(9,672)	-	-	9,672
Reimbursement of Nonpublic	21-103190	6,960	7/1/21-6/30/22	(6,960)	6,960	-	-	-	-	-	-	-
Transportation	495-034-5120-044	314,862	7/1/22-6/30/23	-	-	(314,862)	-	-	-	-	-	314,862
Extraordinary Aid	495-034-5120-044	289,175	7/1/21-6/30/22	(289,175)	289,175	-	-	-	-	-	-	-
Homeless Tuition Aid	495-034-5120-044	125,932	7/1/22-6/30/23	-	-	(125,932)	-	-	-	-	-	125,932
Homeless Tuition Aid	495-034-5123-005	126,788	7/1/21-6/30/22	(126,788)	126,788	-	-	-	-	-	-	-
Maintenance of Equity	495-034-5120-128	322,792	7/1/22-6/30/23	-	-	(322,792)	-	-	-	-	-	322,792
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	743,569	7/1/22-6/30/23	-	707,149	(743,569)	-	-	(36,420)	-	-	743,569
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	708,189	7/1/21-6/30/22	(34,602)	34,602	-	-	-	-	-	-	-
Noncash Assistance:												
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,679	7/1/22-6/30/23	-	1,679	(1,679)	-	-	-	-	-	1,679
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	3,441,065	7/1/22-6/30/23	-	3,441,065	(3,441,065)	-	-	-	-	-	3,441,065
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	903,959	7/1/22-6/30/23	-	903,959	(903,959)	-	-	-	-	-	903,959
Total General Fund				(457,525)	17,743,656	(18,095,809)	-	-	(809,678)	-	1,104,206	18,095,809
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Textbook Aid	100-034-5120-064	9,438	7/1/22-6/30/23	-	9,438	(9,410)	-	-	-	28	-	9,410
Textbook Aid	100-034-5120-064	8,343	7/1/21-6/30/22	435	-	-	(435)	-	-	-	-	-
Nursing Aid	100-034-5120-070	16,016	7/1/22-6/30/23	-	16,016	(16,016)	-	-	-	-	-	16,016
Technology Aid	100-034-5120-373	6,006	7/1/22-6/30/23	-	6,006	(5,977)	-	-	-	29	-	5,977
Security Aid	100-034-5120-509	29,315	7/1/22-6/30/23	-	29,315	(18,584)	-	-	-	10,731	-	18,584
Security Aid	100-034-5120-509	24,325	7/1/21-6/30/22	19,668	-	-	(19,668)	-	-	-	-	-
Auxiliary Services:												
Compensatory Education	100-034-5120-067	45,462	7/1/22-6/30/23	-	45,462	(44,078)	-	-	-	1,384	-	44,078
Handicapped Services:												
Examination & Classification	100-034-5120-066	10,617	7/1/22-6/30/23	-	10,617	(10,617)	-	-	-	-	-	10,617
Examination & Classification	100-034-5120-066	8,151	7/1/21-6/30/22	609	-	-	(609)	-	-	-	-	-
Corrective Speech	100-034-5120-067	2,790	7/1/22-6/30/23	-	2,790	(1,860)	-	-	-	930	-	1,860
Corrective Speech	100-034-5120-067	3,627	7/1/21-6/30/22	2,043	-	-	(2,043)	-	-	-	-	-
Homeless Tuition	Unavailable	1,240	7/1/22-6/30/23	-	-	(1,240)	-	-	(1,240)	-	-	1,240
Homeless Tuition	Unavailable	1,280	7/1/21-6/30/22	(1,280)	1,280	-	-	-	-	-	-	-
NISDA Emergent and Capital Maintenance	Unavailable	25,136	7/1/22-6/30/23	-	25,136	(25,000)	-	-	-	136	-	25,000
Climate Awareness	100-034-5063-359	6,660	7/1/22-6/30/23	-	6,076	(6,076)	-	-	-	-	-	6,076
Preschool Education Aid	495-034-5120-086	1,434,510	7/1/22-6/30/23	-	1,434,510	(595,113)	-	-	-	-	143,451	595,113
Preschool Education Aid	495-034-5120-086	1,202,556	7/1/21-6/30/22	698,214	-	(698,214)	-	-	-	-	-	698,214
Total Special Revenue Fund				719,689	1,586,646	(1,432,185)	-	(22,755)	(1,240)	13,102	839,533	1,432,185
Enterprise Fund:												
State School Lunch Program	100-010-3350-023	12,654	7/1/22-6/30/23	-	11,766	(12,654)	-	-	(888)	-	-	12,654
State School Lunch Program	100-010-3350-023	14,339	7/1/21-6/30/22	(949)	949	-	-	-	-	-	-	-
State School Breakfast Program	495-010-3350-004	1,421	7/1/22-6/30/23	-	1,343	(1,421)	-	-	(78)	-	-	1,421
Total Enterprise Fund				(949)	14,058	(14,075)	-	-	(966)	-	-	14,075
Total State Financial Assistance				\$ 261,215	\$ 19,344,360	(19,542,069)	\$ -	\$ (22,755)	(811,884)	\$ 13,102	\$ 839,533	\$ 1,247,657
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,679	7/1/22-6/30/23	-	-	1,679	-	-	-	-	-	-
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	3,441,065	7/1/22-6/30/23	-	-	3,441,065	-	-	-	-	-	-
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	903,959	7/1/22-6/30/23	-	-	903,959	-	-	-	-	-	-
Total State Financial Assistance subject to Calculation for Major Program Determination				\$ -	\$ -	\$ (15,195,366)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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, 2023.

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, 2023**

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 \$(43,777) for the general fund and \$(21,152) 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	\$ 83,259	\$ 18,139,586	\$ 18,222,845
Special Revenue Fund	2,353,518	1,411,033	3,764,551
Food Service Fund	<u>620,346</u>	<u>14,075</u>	<u>634,421</u>
Total Awards & Financial Assistance	<u>\$ 3,057,123</u>	<u>\$ 19,564,694</u>	<u>\$ 22,621,817</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, 2023.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D, 84.425U, 84.425W</u>	<u>S425D210027, S425U210027, S425W210027</u>	<u>COVID-19 EDUCATION STABLIZATION FUND</u>

Dollar threshold used to determine Type A programs	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
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**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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? X yes no

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-086	Preschool Education Aid

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2023-001:

Criteria or Specific Requirement:

N.J. Admin. Code 6A:23A-16.10 states a district board of education shall implement controls over budgeted revenues and appropriations.

Condition:

The District over expended principal and interest payments in the Debt Service Fund in the amount of \$319,725.

Context:

Due to an oversight, the District improperly budgeted principal and interest payments for the 2015 General Obligation Bonds. This issuance was refunded in 2021 with one payment remaining in July 2022, which was excluded from the 2022-2023 budget.

Effect or Potential Effect:

Noncompliance with N.J. Admin. Code 6A:23A-16.10.

Cause:

Lack of controls over the budgeting process.

Recommendation:

The District should implement controls to ensure all debt obligations are properly accounted for and budgeted in the year they are due.

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, 2023**

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 -N/A

STATE FINANCIAL ASSISTANCE – N/A

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Finding 2022-001:

Condition:

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

Current Status:

Determined to be immaterial for the current year under audit.

Federal Awards

Finding 2022-001:

Condition:

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

Current Status:

Determined to be immaterial for the current year under audit.

State Financial Assistance – N/A