

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

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

OUTLINE OF ACFR

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INTRODUCTORY SECTION



December 2, 2025

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, 2025, 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, and each major fund of the district as of June 30, 2025, 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.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	1,153	1.86%
2023-2024	1,132	-0.70%
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%

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 above.

ECONOMIC CONDITION AND OUTLOOK

Burlington County continues to demonstrate a stable regional economy anchored by Joint Base McGuire-Dix-Lakehurst, healthcare, logistics, and small-business sectors. Local unemployment remains moderate, and housing values have stabilized after several years of growth. However, the conclusion of federal pandemic relief programs – such as ESSER – and flattening state aid allocations present emerging fiscal challenges for school districts

statewide. For 2025-26, the State of New Jersey has implemented only marginal increases in K-12 aid, with overall funding growth leveling and future reductions possible as state revenues tighten. These trends signal a shift toward greater reliance on local sources to maintain programs and staffing levels, underscoring the need for careful long-term financial planning across the county's educational systems.

The Mount Holly Township School District enters 2025-26 in a stable but cautious fiscal position. Enrollment remains steady and the district maintains healthy reserves to support facility and equipment needs. While these strengths provide short-term flexibility, waning federal support and potential state aid reductions could pressure future staffing, instructional programming, and student services. The district will continue to exercise conservative budgeting and strategic use of reserves to protect its current fiscal stability and sustain educational quality amid an increasingly constrained funding environment.

MAJOR INITIATIVES

This year marks the launch of Mount Holly Township School District's 2025–2030 Strategic Plan, a community-driven roadmap designed to guide our work over the next five years. Rooted in our mission – to capitalize on the diversity of our community to ignite passion for building inner wealth, personal growth, academic excellence, and leadership in an inclusive and restorative environment – our plan focuses on three priority areas: Maximizing Achievement, Fostering Community and Connection, and Expanding Strategic Opportunities.

Year One has centered on laying the foundation for sustainable progress. Our focus has been on building clarity, alignment, and accountability across all schools. This included revisiting our mission, vision, and values with staff and families to ensure shared understanding and ownership. Each building developed action plans aligned to the strategic priorities, identifying measurable goals in academic growth, attendance, and family engagement.

A key initiative under Maximizing Achievement has been the refinement of data-driven instruction and the development of systems to better utilize academic and behavioral data. By investing in staff training on formative assessment practices, collaborative data analysis, and differentiated instruction, we are creating classroom environments where every student – particularly those performing below grade level – receives the targeted support needed to thrive. This work is anchored by our commitment to narrowing achievement gaps while also ensuring that students performing above grade level are challenged and supported to reach their full potential.

Under Fostering Community and Connection, we have prioritized student and family belonging as a lever for both academic and social success. Initiatives such as our Family Engagement Advisory Council, Dragon Fire Nights, and the creation of a Parent University are designed to deepen relationships between home and school. These events empower families with knowledge and resources while building trust through two-way communication. Additionally, our schools have continued to strengthen their social-emotional learning and restorative practices, including the Nurtured Heart Approach, to support students' sense of safety, connection, and self-regulation.

Finally, through Expanding Strategic Opportunities, we have focused on building partnerships and systems that enhance operational excellence and open new pathways for learning. This includes planning for a districtwide technology plan, expanding afterschool enrichment through 21st Century Community Learning Centers, and developing initiatives that promote college, career, and life readiness starting in the early grades.

These interconnected efforts are designed to produce measurable outcomes, including:

- Improved Academic Growth and Proficiency
- Increased Attendance and Student Engagement
- Strengthened Family Partnerships and Community Trust
- Enhanced Staff Capacity and Collaboration
- Expanded Access to Enrichment and Innovative Learning Opportunities

The first year of our Strategic Plan has been one of alignment and activation – translating our shared vision into daily practice. By grounding every initiative in our mission and values, we are ensuring that every Dragon feels seen, supported, and inspired to ignite their greatness.

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.

FINANCIAL POLICIES

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

OTHER INFORMATION

INDEPENDENT AUDIT

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



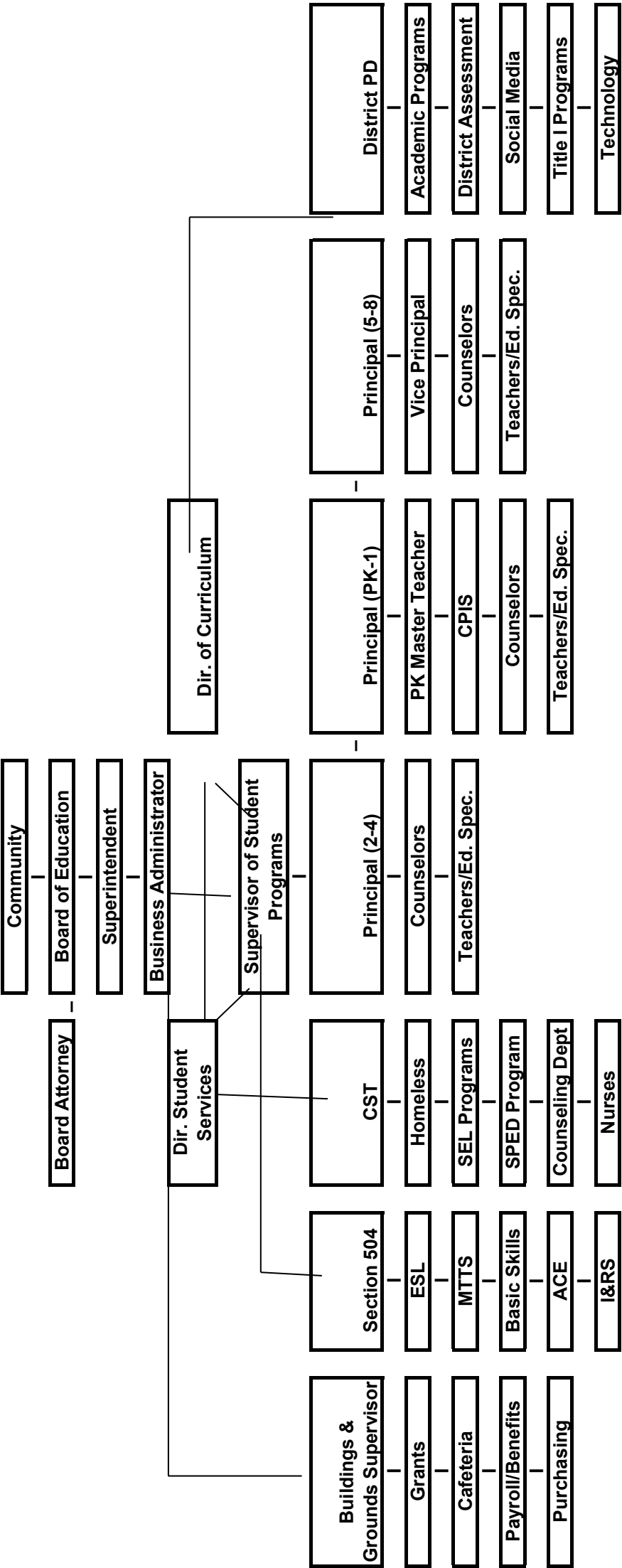
Donna DiLapo
School Business Administrator



Robert Mungo
Superintendent

**Mount Holly Township
Board of Education**

Organization Chart



MOUNT HOLLY SCHOOL DISTRICT
331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Jennifer Mushinksy, President	2025
Janet DiFolco, Vice President	2027
Stephanie Allen	2025
Michael Rothmel	2027
Timothy Collura	2026

OTHER OFFICIALS

Robert Mungo, Superintendent

Ms. Donna DiLapo, Business Administrator/Board Secretary

Jeffrey P. Catalano, Esq., Solicitor

MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ryan Creamer CPA, PSA
Holt McNally & Associates, Inc.
105 Atsion Road, Suite I
Medford, New Jersey 08055

ATTORNEY

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

OFFICIAL DEPOSITORY

Citizens Bank
Mount Holly, New Jersey

FINANCIAL SECTION



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 and each major fund of the Mount Holly School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2025, 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 and each major fund of the Mount Holly School District, County of Burlington, State of New Jersey, as of June 30, 2025, 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 *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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 currently 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 auditing standards generally accepted in the United States of America and *Government 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 is the responsibility of management and, 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 accompanying combining and individual fund financial statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are 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 schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 2, 2025 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 solely 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

A handwritten signature in black ink, appearing to read "Ryan Creamer", is positioned above the printed name.

Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
December 2, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

As management of the Mount Holly School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds and proprietary funds*. *Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School Districts net position for the fiscal years 2025 compared to fiscal year 2024.

Table 1
Summary of Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Current & Other Assets	\$ 14,729,462	\$ 13,956,132	\$ 773,330	5.5%
Capital Assets, Net	30,827,081	30,180,531	646,550	2.1%
Total Assets	<u>45,556,543</u>	<u>44,136,663</u>	<u>1,419,880</u>	3.2%
Deferred Outflow of Resources	<u>445,005</u>	<u>404,162</u>	<u>40,843</u>	10.1%
Current and other Liabilities	1,418,485	1,553,750	(135,265)	-8.7%
Noncurrent Liabilities	7,921,830	8,435,428	(513,598)	-6.1%
Total Liabilities	<u>9,340,315</u>	<u>9,989,178</u>	<u>(648,863)</u>	-6.5%
Deferred Inflow of Resources	<u>168,298</u>	<u>204,188</u>	<u>(35,890)</u>	-17.6%
Net Position:				
Net Investment in Capital Asset	26,352,883	25,275,521	1,077,362	4.3%
Restricted	13,982,140	12,031,456	1,950,684	16.2%
Unrestricted (Deficit)	<u>(3,842,088)</u>	<u>(2,959,518)</u>	<u>(882,570)</u>	29.8%
Total Net Position	<u>\$ 36,492,935</u>	<u>\$ 34,347,459</u>	<u>\$ 2,145,476</u>	6.2%

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024.

Table 2
Summary of Changes in Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 86,897	\$ 79,252	\$ 7,645	9.6%
Operating Grants & Contributions	6,276,239	9,094,736	(2,818,497)	-31.0%
General Revenues:				
Property Taxes	9,192,115	9,192,115	-	0.0%
Federal & State Aid	16,416,299	14,460,033	1,956,266	13.5%
Other General Revenues	912,636	1,015,116	(102,480)	-10.1%
Special Items:				
Gain/(Loss) on Capital Asset Disposal	(2,256)	-	(2,256)	-100%
Total Revenues	32,881,930	33,841,252	(959,322)	-2.8%
Function/Program Expenditures:				
Regular Instruction	7,699,614	8,818,584	(1,118,970)	-12.7%
Special Education Instruction	3,290,026	3,147,690	142,336	4.5%
Other Instruction	962,714	870,291	92,423	10.6%
Tuition	2,004,656	1,276,946	727,710	57.0%
Student & Instruction Related Services	4,395,888	4,357,947	37,941	0.9%
General Administrative	466,900	457,686	9,214	2.0%
School Administrative Services	785,697	842,361	(56,664)	-6.7%
Central Services	601,887	595,799	6,088	1.0%
Plant Operations & Maintenance	2,233,115	2,280,595	(47,480)	-2.1%
Pupil Transportation	1,025,391	658,397	366,994	55.7%
Unallocated Benefits	4,723,498	4,173,432	550,066	13.2%
On Behalf TPAF Pension and Social				
Security Contributions	609,254	1,797,921	(1,188,667)	-66.1%
Interest & Other Charges	101,488	104,279	(2,791)	-2.7%
Unallocated Depreciation	1,059,294	888,488	170,806	19.2%
Food Service	777,032	625,468	151,564	24.2%
Total Expenditures	30,736,454	30,895,884	(159,430)	-0.5%
Change In Net Position	2,145,476	2,945,368	(799,892)	-27.2%
Net Position - Beginning	34,347,459	31,402,091	2,945,368	9.4%
Net Position - Ending	\$ 36,492,935	\$ 34,347,459	\$ 2,145,476	6.2%

Governmental Activities

During the fiscal year 2025, the net position of governmental activities increased by \$2,337,124 or 6%. The primary reason for the increase was the overall decrease in expenditures due to unspent budgeted funds.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$36,134,163, with an unrestricted deficit balance of \$4,030,688. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Governmental Activities (continued)

payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance. The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (4,030,688)
Add back: PERS Pension Liability	2,751,291
Less: Deferred Outflows related to pensions	(445,005)
Add back: Deferred Inflows related to pensions	<u>168,298</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ (1,556,104)</u></u>

Business-type Activities

During the fiscal year 2025, the net position of business-type activities decreased by (\$191,648) or 53%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$358,772.

General Fund Budgeting Highlights

Final budgeted revenues were \$25,117,338, which was unchanged from the original budget. Excluding nonbudgeted on-behalf and reimbursed TPAF revenues, the School District's actual revenues exceeded budgeted revenues by \$1,385,080.

Final budgeted appropriations were \$29,055,857 which was an increase of \$827,935 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted items, the School District's budget appropriations exceeded actual expenditures by \$3,886,517.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$14,850,502 at June 30, 2025, an increase of \$1,333,078 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$13,474,253, an increase of \$1,128,546 from the prior year.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Governmental Funds (continued)

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,149,968 or 9% to \$13,363,204 at June 30, 2025, compared to an increase of \$932,270 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The School District received an increase in interest on investment revenue in the amount of \$167,238 when compared to the prior year.
- The School District received an increase in state aid the amount of \$1,879,738 when compared to the prior year.

Special revenue fund - During the current fiscal year, the fund balance of the School District's special revenue fund decreased by \$152,602 or 104% to \$(146,429) at June 30, 2025, compared to a decrease of (\$1,592) in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the special revenue fund is as follows:

- Adjustments for the final state aid payment for preschool education expansion aid.

Capital Projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund increased by \$126,407, or 100%, to \$126,407 at June 30, 2025, compared no activity in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the debt service fund is as follows:

- A contribution of \$237,636 in the current year from capital reserve.
- A state grants of \$193,340 in the current year.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$4,773, or 4%, to \$131,071 at June 30, 2025, compared to an increase of \$155,893 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the debt service fund is as follows:

- A contribution of \$469,748 in the current year from capital reserve.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by (\$191,648), or 35%, to \$358,772 at June 30, 2025, compared to a decrease of \$12,497 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Increase in operating expenses in the amount of \$151,564.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$30,827,081 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements, construction in process, and equipment. The School District's "Net Investment in Capital Assets" component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net increase in the School District's capital assets for the current fiscal year in the amount of \$646,550. This increase is primarily due to new projects started in the current year. Table 4 shows fiscal 2025 balances compared to 2024 for the Governmental Activities and Business-Type Activities.

Table 4
Summary of Capital Assets - Governmental Activities

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 9,786,500	\$ 9,786,500	\$ -	0.0%
Construction in Progress	304,569	1,515,830	(1,211,261)	-79.9%
Building and Improvements	20,459,886	17,798,053	2,661,833	15.0%
Equipment	105,954	895,605	(789,651)	-88.2%
	<u>\$ 30,656,909</u>	<u>\$ 29,995,988</u>	<u>\$ 660,921</u>	<u>2.2%</u>
Depreciation Expense	<u>\$ 913,512</u>	<u>\$ 888,488</u>		

Table 4
Summary of Capital Assets - Business-Type Activities

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Equipment	\$ 170,172	\$ 184,543	\$ (14,371)	-7.8%
	<u>\$ 170,172</u>	<u>\$ 184,543</u>	<u>\$ (14,371)</u>	<u>-7.8%</u>
Depreciation Expense	<u>\$ 16,515</u>	<u>\$ 16,321</u>		

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$4,385,000 which is a decrease of \$380,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Contacting the School Districts Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, bond holders and creditors with a general overview of the School District's finances and to show the School 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.

BASIC FINANCIAL STATEMENTS

Governmental Funds

A. Government-Wide Financial Statements

**MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,505,199	\$ 160,280	\$ 3,665,479
Receivables, Net (Note 4)	1,308,672	27,002	1,335,674
Inventory	-	11,759	11,759
Restricted Cash & Cash Equivalents	9,716,550	-	9,716,550
Capital Assets, Net (Note 5)			
Non-Depreciable	10,091,069	-	10,091,069
Depreciable	20,565,840	170,172	20,736,012
Total Assets	45,187,330	369,213	45,556,543
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	445,005	-	445,005
Total Deferred Outflow of Resources	445,005	-	445,005
Total Assets and Deferred Outflow of Resources	45,632,335	369,213	46,001,548
LIABILITIES			
Accounts Payable	68,636	-	68,636
Due to Other Governments	417,882	-	417,882
Unearned Revenue	881,132	10,441	891,573
Accrued Interest	40,394	-	40,394
Noncurrent Liabilities (Note 7):			
Due Within One Year	415,166	-	415,166
Due in more than one year	7,506,664	-	7,506,664
Total Liabilities	9,329,874	10,441	9,340,315
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	168,298	-	168,298
Total Deferred Inflow of Resources	168,298	-	168,298
Total Liabilities and Deferred Inflow of Resources	9,498,172	10,441	9,508,613
NET POSITION			
Net Investment in Capital Assets	26,182,711	170,172	26,352,883
Restricted For:			
Capital Projects	8,515,763	-	8,515,763
Debt Service	131,071	-	131,071
Maintenance Reserve	1,019,481	-	1,019,481
New Jersey Unemployment Fund	307,713	-	307,713
Student Activities	8,112	-	8,112
Excess Surplus	4,000,000	-	4,000,000
Unrestricted (Deficit)	(4,030,688)	188,600	(3,842,088)
Total Net Position	\$ 36,134,163	\$ 358,772	\$ 36,492,935

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, 2025**

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	\$ 7,699,614	\$ -	\$ 2,169,766	\$ (5,529,848)	\$ -	\$ (5,529,848)		
Special Education	3,290,026	-	-	(3,290,026)	-	(3,290,026)		
Other Instruction	962,714	-	-	(962,714)	-	(962,714)		
Support Services & Undistributed Costs:								
Tuition	2,004,656	-	-	(2,004,656)	-	(2,004,656)		
Student & Instruction Related Services	4,395,888	-	1,810,120	(2,585,768)	-	(2,585,768)		
General Administrative Services	466,900	-	-	(466,900)	-	(466,900)		
School Administrative Services	785,697	-	-	(785,697)	-	(785,697)		
Central Services	601,887	-	-	(601,887)	-	(601,887)		
Plant Operations & Maintenance	2,233,115	-	-	(2,233,115)	-	(2,233,115)		
Pupil Transportation	1,025,391	-	-	(1,025,391)	-	(1,025,391)		
Unallocated Employee Benefits	4,723,498	-	1,189,985	(3,533,513)	-	(3,533,513)		
On Behalf TPAF Pension and Social Security Contributions	609,254	-	609,254	-	-	-		
Interest & Other Changes in Long-Term Debt	101,488	-	-	(101,488)	-	(101,488)		
Unallocated Depreciation & Amortization	1,059,294	-	-	(1,059,294)	-	(1,059,294)		
Total Governmental Activities	29,959,422	-	5,779,125	(24,180,297)	-	(24,180,297)		
Business-Type Activities:								
Food Service	777,032	86,897	497,114	-	(193,021)	(193,021)		
Total Business-Type Activities	777,032	86,897	497,114	-	(193,021)	(193,021)		
Total Primary Government	\$ 30,736,454	\$ 86,897	\$ 6,276,239	\$ (24,180,297)	\$ (193,021)	\$ (24,373,318)		

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, 2025**

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Taxes Levied for General Purposes	9,192,115	-	9,192,115
Federal & State Aid Not Restricted	16,416,299	-	16,416,299
Tuition	259,381	-	259,381
Interest Earnings	6,773	3,629	10,402
Gain/(Loss) on Capital Assets	-	(2,256)	(2,256)
Miscellaneous Income	642,853	-	642,853
	<u>26,517,421</u>	<u>1,373</u>	<u>26,518,794</u>
Total General Revenues, Special Items, Extraordinary Items & Transfers			
	2,337,124	(191,648)	2,145,476
	<u>33,797,039</u>	<u>550,420</u>	<u>34,347,459</u>
Change In Net Position			
Net Position - Beginning			
Net Position - Ending	<u>\$ 36,134,163</u>	<u>\$ 358,772</u>	<u>\$ 36,492,935</u>

B. Fund Financial Statements

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 2,425,532	\$ 684,101	\$ -	\$ 421,191	\$ 3,530,824
Receivables, Net:					
Other Receivable	430,352	-	-	-	430,352
Due from Other Governments:					
State	551,397	-	152,032	-	703,429
Federal	-	174,891	-	-	174,891
Interfund Receivable	290,664	-	-	-	290,664
Restricted Cash & Cash Equivalents	9,716,550	-	-	-	9,716,550
Total Assets	\$ 13,414,495	\$ 858,992	\$ 152,032	\$ 421,191	\$ 14,846,710
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ -	\$ 25,625	\$ -	\$ 25,625
Interfund Payable	-	544	-	290,120	290,664
Accounts Payable	51,013	17,345	-	-	68,358
Payroll Taxes Payable	278	-	-	-	278
Due to Other Governments	-	106,400	-	-	106,400
Unearned Revenue	-	881,132	-	-	881,132
Total Liabilities	51,291	1,005,421	25,625	290,120	1,372,457
Fund Balances:					
Restricted for:					
Excess Surplus	2,000,000	-	-	-	2,000,000
Capital Reserve Account	8,389,356	-	-	-	8,389,356
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	307,713	-	-	-	307,713
Student Activities	-	8,112	-	-	8,112
Committed for:					
Capital Projects	-	-	126,407	-	126,407
Assigned to:					
Other Purposes	258,999	-	-	-	258,999
Debt Service Fund	-	-	-	131,071	131,071
Unassigned:					
General Fund	(612,345)	-	-	-	(612,345)
Special Revenue	-	(154,541)	-	-	(154,541)
Total Fund Balances	13,363,204	(146,429)	126,407	131,071	13,474,253
Total Liabilities & Fund Balances	\$ 13,414,495	\$ 858,992	\$ 152,032	\$ 421,191	

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 \$43,638,373 and the accumulated depreciation is \$12,981,464.	30,656,909
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.	(311,482)
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.	(40,394)
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.	276,707
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)	(7,921,830)
Net Position of Governmental Activities	\$ 36,134,163

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 9,192,115	\$ -	\$ -	\$ -	\$ 9,192,115
Tuition Charges	259,381	-	-	-	259,381
Interest Earned	2,000	-	-	4,773	6,773
Miscellaneous	642,853	150,692	-	-	793,545
Total Local Sources	10,096,349	150,692	-	4,773	10,251,814
State Sources	21,585,910	1,564,126	193,340	-	23,343,376
Federal Sources	41,450	2,265,068	-	-	2,306,518
Total Revenues	31,723,709	3,979,886	193,340	4,773	35,901,708
Expenditures:					
Instruction:					
Regular	5,759,467	1,940,147	-	-	7,699,614
Special Education	3,290,026	-	-	-	3,290,026
Other Instruction	962,714	-	-	-	962,714
Support Services & Undistributed Costs:					
Tuition	2,004,656	-	-	-	2,004,656
Student & Instruction Related Services	2,585,768	1,810,120	-	-	4,395,888
General Administrative Services	466,900	-	-	-	466,900
School Administrative Services	785,697	-	-	-	785,697
Central Services	601,887	-	-	-	601,887
Plant Operations & Maintenance	2,283,927	-	-	-	2,283,927
Pupil Transportation	1,025,391	-	-	-	1,025,391
Unallocated Employee Benefits	9,053,222	-	-	-	9,053,222
Debt Service:					
Principal	-	-	-	380,000	380,000
Interest & Other Charges	13,277	-	-	89,748	103,025
Capital Outlay	1,033,425	382,221	304,569	-	1,720,215
Total Expenditures	29,866,357	4,132,488	304,569	469,748	34,773,162
Other Financing Sources\ (Uses):					
Transfer (In/(Out))	(707,384)	-	237,636	469,748	-
Total Other Financing Sources\ (Uses)	(707,384)	-	237,636	469,748	-
Net Change in Fund Balances	1,149,968	(152,602)	126,407	4,773	1,128,546
Fund Balance - July 1	12,213,236	6,173	-	126,298	12,345,707
Fund Balance - June 30	\$ 13,363,204	\$ (146,429)	\$ 126,407	\$ 131,071	\$ 13,474,253

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, 2025**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,128,546

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	\$ (913,512)	
Net Deletion and Adjustments of Capital Assets	(145,782)	
Capital Outlay	1,720,215	660,921

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. 380,000

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. 50,812

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. 177,732

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. 1,537

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	(696,341)	
Prior Year	633,917	(62,424)

Change in Net Position of Governmental Activities \$ 2,337,124

Proprietary Funds

**MOUNT HOLLY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE FUND
ASSETS	
Current Assets:	
Cash	\$ 160,280
Intergovernmental Accounts Receivables	27,002
Inventories	11,759
Total Current Assets	199,041
Fixed Assets:	
Equipment	348,902
Less: Accumulated Depreciation	(178,730)
Total Fixed Assets	170,172
Total Assets	369,213
LIABILITIES	
Unearned Revenue	10,441
Total Liabilities	10,441
NET POSITION	
Net Investment in Capital Assets	170,172
Unrestricted Net Position	188,600
Total Net Position	\$ 358,772

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, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 60,903
Daily Sales - Non-Reimbursable Programs	20,579
Special Functions	5,415
Total Operating Revenues	86,897
Operating Expenses:	
Cost of Sales- Reimbursable Programs	354,672
Cost of Sales- Non-Reimbursable Programs	13,170
Salaries and Benefits	261,620
Supplies & Materials	74,900
Depreciation	16,515
Management Fee	34,340
Direct Services	21,815
Total Operating Expenses	777,032
Operating Income/(Loss)	(690,135)
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	11,141
State School Breakfast Program	859
State NJEIE Lunch	7,812
State NJEIE Breakfast	1,428
State SEBT	321
Federal Sources:	
National School Lunch Program	340,771
National School Breakfast Program	75,407
Food Distribution Program	53,466
Federal SEBT	321
After School Snack	3,152
LFS Coop Program	2,436
Gain/(Loss) on Adjustment to Capital Assets	(2,256)
Interest Revenue	3,629
Total Nonoperating Revenues/(Expenses)	498,487
Net Income/(Loss)	(191,648)
Net Position - July 1	550,420
Net Position - June 30	\$ 358,772

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, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 79,419
Payments to Employees	(261,620)
Payments to Suppliers	(495,122)
Net Cash Provided/(Used) by Operating Activities	(677,323)
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	493,829
Net Cash Provided/(Used) by Noncapital Financing Activities	493,829
Cash Flows From Investing Activities:	
Purchase of Capital Equipment	(4,400)
Interest & Dividends	3,629
Net Cash Provided/(Used) by Investing Activities	(771)
Net Increase/(Decrease) in Cash & Cash Equivalents	(184,265)
Balances - Beginning of Year	344,545
Balances - End of Year	\$ 160,280
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (690,135)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	16,515
(Increase)/Decrease in Inventories	3,775
Increase/(Decrease) in Unearned Revenues	(7,478)
Total Adjustments	12,812
Net Cash Provided/(Used) by Operating Activities	\$ (677,323)

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025 of 1,153 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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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, 2025.

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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).

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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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, 2025 (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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2025 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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

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

Compensated Absences

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

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

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 measurable 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **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, 2025.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statement became effective for the fiscal year ended June 30, 2025:

Statement No. 101, *Compensated Absences*, 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 implemented this standard for the fiscal year ended June 30, 2025, see Note 14.

Statement No. 102, *Certain Risk Disclosures*, requires a School District to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a District vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has implemented this standard for the fiscal year ended June 30, 2025.

Recently Issued Accounting Pronouncements

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

Statement No. 103, *Financial Reporting Model Improvements*, requires that the information presented in the management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: 1) Overview of the Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity, and 5) Currently Known Facts, Decisions, or Conditions. The Statement emphasizes that the analysis provided in the MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that boilerplate discussion should be avoided by presenting only the most relevant information. Statement No. 103 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets recognized in accordance with Statement No. 87, intangible right-to-use assets recognized in accordance with Statement No. 94 and subscription assets recognized in accordance with Statement No. 96 should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Statement No. 104 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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, 2025, the District’s bank balance of \$14,284,275 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 13,968,146
Uninsured and Uncollateralized	316,129
	\$ 14,284,275

Investments

The District had no investments at June 30, 2025.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2024	\$ 6,536,321
Increased by:	
Interest	1,000
Deposits approved by Board	<u>2,675,319</u>
	9,212,640
Decreased by:	
Budget Withdrawals	<u>(823,284)</u>
Ending Balance, June 30, 2025	<u>\$ 8,389,356</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 1,019,000
Increased by:	
Interest Earnings	1,000
Deposits approved by Board	<u>186,781</u>
	1,206,781
Decreased by:	
Budget Withdrawals	<u>(187,300)</u>
Ending Balance, June 30, 2025	<u>\$ 1,019,481</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 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:

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 4. Accounts Receivable (continued):

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Food Service Fund</u>		
Federal Awards \$	-	\$ 174,891	\$ -	\$ 174,891	\$ 25,688		\$ 25,688
State Awards	551,397	-	152,032	703,429	1,314		1,314
Other	430,352	-	-	430,352	-		-
Total	<u>\$ 981,749</u>	<u>\$ 174,891</u>	<u>\$ 152,032</u>	<u>\$ 1,308,672</u>	<u>\$ 27,002</u>		<u>\$ 27,002</u>

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2025</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 9,786,500	\$ -	\$ -	\$ 9,786,500
Construction in Progress	1,515,830	304,569	(1,515,830)	304,569
Total Capital Assets not being depreciated	<u>11,302,330</u>	<u>304,569</u>	<u>(1,515,830)</u>	<u>10,091,069</u>
 Capital Assets being depreciated:				
Building Improvements	27,826,287	1,146,002	1,515,830	30,488,119
Equipment	4,178,631	269,644	(1,389,090)	3,059,185
Total Capital Assets being depreciated	<u>32,004,918</u>	<u>1,415,646</u>	<u>126,740</u>	<u>33,547,304</u>
 Less: Accumulated Depreciation:				
Building Improvements	(10,028,233)	(686,137)	686,137	(10,028,233)
Equipment	(3,283,027)	(227,375)	557,171	(2,953,231)
Total Accumulated Depreciation	<u>(13,311,260)</u>	<u>(913,512)</u>	<u>1,243,308</u>	<u>(12,981,464)</u>
Total Capital Assets being depreciated, net	<u>18,693,658</u>	<u>502,134</u>	<u>1,370,048</u>	<u>20,565,840</u>
Total Governmental Activities Capital Assets, net	<u>\$ 29,995,988</u>	<u>\$ 806,703</u>	<u>\$ (145,782)</u>	<u>\$ 30,656,909</u>
	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2025</u>
Business-Type Activities:				
Equipment	\$ 450,851	\$ 4,400	\$ (106,349)	\$ 348,902
	<u>450,851</u>	<u>4,400</u>	<u>(106,349)</u>	<u>348,902</u>
 Less: Accumulated Depreciation:				
Equipment	(266,308)	(16,515)	104,093	(178,730)
	<u>(266,308)</u>	<u>(16,515)</u>	<u>104,093</u>	<u>(178,730)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 184,543</u>	<u>\$ (12,115)</u>	<u>\$ (2,256)</u>	<u>\$ 170,172</u>

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 290,664	\$ -
Special Revenue Fund	-	544
Debt Service Fund	-	290,120
	<u>\$ 290,664</u>	<u>\$ 290,664</u>

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

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 707,384
Capital Projects Fund	237,636	-
Debt Service Fund	469,748	-
	<u>\$ 707,384</u>	<u>\$ 707,384</u>

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,765,000	\$ -	\$ 380,000	\$ 4,385,000	\$ 385,000
Financed Purchases	140,010	-	50,812	89,198	30,166
Compensated Absences	633,917	62,424	-	696,341	-
Net Pension Liability	2,896,501	-	145,210	2,751,291	-
	<u>\$ 8,435,428</u>	<u>\$ 62,424</u>	<u>\$ 576,022</u>	<u>\$ 7,921,830</u>	<u>\$ 415,166</u>

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 7. Long-Term Obligations (continued)

General Obligation 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, 2025 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 385,000	\$ 88,133	\$ 473,133
2027	395,000	83,513	478,513
2028	410,000	77,982	487,982
2029	430,000	71,218	501,218
2030	440,000	63,477	503,477
2031-2035	2,325,000	169,602	2,494,602
	<u>\$ 4,385,000</u>	<u>\$ 553,925</u>	<u>\$ 4,938,925</u>

Financed Purchases

In May 2023, the District entered a financed purchase agreement for \$145,529. The financed purchase was issued with a fixed interest rate of 4.20% and matures in May 2028.

The following is a schedule of future minimum financed purchase payments as of June 30, 2025:

Fiscal Year Ending June 30,	
2026	\$ 33,638
2027	33,638
2028	<u>28,031</u>
Total Minimum Financed Purchase Payments	95,307
Less: Amount Representing Interest	<u>(6,109)</u>
Present Value of Minimum Financed Purchase Payments	<u>\$ 89,198</u>

At June 30, 2025 the minimum financed purchase payments due within one year is \$30,166.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
--------------------	--------------------------

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, 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 have determined 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 is 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, 2025, the School District reported a liability of \$2,751,291 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024. The School District's proportion measured as of June 30, 2024, was 0.02025%, which was an increase of 0.00025% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension expense/(benefit) of \$97,784 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025 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, 2025 (continued)

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 55,113	\$ 7,325
Changes of Assumptions	3,418	31,303
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	127,570
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	74,992	2,100
School District Contributions Subsequent to Measurement Date	<u>311,482</u>	<u>-</u>
	<u>\$ 445,005</u>	<u>\$ 168,298</u>

\$311,482 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the estimated amount payable to the State due April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (37,729)
2026	29,194
2027	(16,796)
2028	(9,696)
2029	<u>252</u>
	<u>\$ (34,775)</u>

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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
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
June 30, 2023	5.08	5.08
June 30, 2024	5.08	5.08

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-6.55% based on years of service
Investment Rate of Return	7.00%
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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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, 2024 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	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 3,686,562</u>	<u>\$ 2,751,291</u>	<u>\$ 1,998,248</u>

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 of resources 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, 2025. The State's proportionate share of the contribution associated with the special funding situation was \$8,870 as of June 30, 2025. These are based on measurements as of June 30, 2024.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
--------------------	--------------------------

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer 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.

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, 2024 was \$3,578,913 The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.08280%, which was a decrease of 0.00022% from its proportion measured as of June 30, 2023.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

For the fiscal year ended June 30, 2025, the School District recognized \$(149,285) in on-behalf pension expense/(benefit) and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense/(benefit) and revenue was based on the pension plans June 30, 2024 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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, 2024 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	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
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	48,644,287	40,924,269	34,422,554
	<u>\$ 48,644,287</u>	<u>\$ 40,924,269</u>	<u>\$ 34,422,554</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.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2025, employee contributions totaled \$21,117, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$11,518.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (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 of total nonemployer OPEB liability (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.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 59,650,630,530

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% 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, 2023 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, 2024 was \$51,741,858. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.08672%, which was a decrease of 0.00216% from its proportion measured as of June 30, 2023.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$1,187,896 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, 2024 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreased to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreased to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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, 2024, 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, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 60,600,797	\$ 51,741,858	\$ 44,617,432
State of New Jersey's Total Non- employer Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, 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, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 60,600,797	\$ 51,741,858	\$ 44,617,432
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	6,378,932,312	(11,139,706,892)
Change in Assumptions	10,004,978,073	(11,662,607,882)
Contributions Made in Fiscal Year Year Ending 6/30/2024		
After Measurement Date	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ (22,802,314,774)</u>

** Employer Contributions made after June 30, 2024 are reported as a deferred outflow of resources, but are not amortized in expense.

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year Ending June 30,	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	<u>\$ (6,418,404,389)</u>

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

	June 30, 2023
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
	<u>372,741</u>

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability

Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Difference Between Expected & Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u>\$ 59,650,630,530</u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for normal costs, post-retirement medical costs, non-contributory insurance and reimbursed social security contributions were \$3,593,693, \$1,050,080, \$2,089 and \$758,539 respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ 67,831	\$ 2,728	\$ 5,359	\$ 307,123
2023-2024	37,483	3,647	32,875	241,923
2022-2023	42,182	2,199	16,295	233,668

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:

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Economic Dependency – The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 13. Deferred Compensation

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

Note 14. Compensated Absences

Sick

Under the current policy of the school district, employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years.

Payouts for accrued sick time may not exceed \$15,000 at the time of retirement. The only exception where the \$15,000 is not capped would be an employee hired prior to May 21, 2010. Payout rate is determined by salary, working days in a year, and hours worked per day.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 14. Compensated Absences (continued):

Vacation

School District employees who are employed for ten months before year 8 of employment are entitled to ten paid vacation leave days per fiscal school year and those after year 8 are entitled to fifteen vacation days. School District employees who are employed for twelve months are entitled to twenty paid vacation leave days per fiscal school year. Only Administrators can roll over five vacation days or be paid out for up to five vacation days. School District employees are entitled to five personal days. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2025, the liability for compensated absences reported on the government-wide Statement of Net Position was \$696,341, which is an increase of \$62,424 from the prior year.

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

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 16. Calculation of Excess Surplus (continue):

minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was \$2,000,000.

Note 17. Fund Balances

General Fund – Of the \$13,363,204 General Fund balance at June 30, 2025, \$8,389,356 has been restricted for the Capital Reserve Account; \$1,019,481 has been restricted for the Maintenance Reserve Account; \$307,713 has been restricted for the Unemployment Reserve Account; \$2,000,000 has been restricted for current year excess surplus; \$2,000,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$258,999 has been assigned to other purposes; and (\$612,345) has been unassigned.

Special Revenue Fund – Of the \$146,429 deficit Special Revenue Fund balance at June 30, 2025, \$8,112 is restricted for future student activities and (\$154,541) has been unassigned.

Capital Projects Fund – Of the \$126,407 Capital Projects Fund balance at June 30, 2025, \$126,407 has been restricted Capital Projects.

Debt Service Fund – Of the \$131,0171 Debt Service Fund balance at June 30, 2025, \$131,071 is restricted for future debt service payments.

Note 18. Deficit Fund Balances

The District has a deficit unassigned fund balance of \$612,345 in the General Fund and \$154,541 in the Special Revenue Fund as of June 30, 2025 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 and Special Revenue balance deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated 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 \$612,345 and \$154,541 are less than the fund balances last state aid payment.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 19. Deficit in Net Position

Unrestricted Net Position – The District's governmental activities had a deficit in unrestricted net position in the amount of \$(4,030,688). 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, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and December 2, 2025, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 9,192,115	\$ -	\$ 9,192,115	\$ 9,192,115	\$ -
Interest on Capital Reserve	10-1XXX	1,000	-	1,000	1,000	-
Interest on Maintenance Reserve	10-1XXX	1,000	-	1,000	1,000	-
Tuition from LEAs Within State	10-1320	-	-	-	259,381	259,381
Unrestricted Miscellaneous	10-1990	15,000	-	15,000	642,853	627,853
Total Local Sources		9,209,115	-	9,209,115	10,096,349	887,234
State Sources:						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Extraordinary Aid	10-3131	12,500	-	12,500	377,116	364,616
Categorical Special Education Aid	10-3132	755,237	-	755,237	755,237	-
Equalization Aid	10-3176	13,603,819	-	13,603,819	13,603,819	-
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	-	-	-	16,345	16,345
Homeless Tuition Aid	10-XXXX	-	-	-	117,445	117,445
State Reimbursement for Menstrual Products	10-3301	-	-	-	3,522	3,522
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contrib	10-3191	-	-	-	1,050,080	1,050,080
On-Behalf TPAF Pension Contributions	10-3193	-	-	-	3,593,693	3,593,693
On-Behalf TPAF Long-Term Disability Insurance	10-3194	-	-	-	2,089	2,089
Reimbursed TPAF Social Security Contributions	10-3192	-	-	-	758,539	758,539
Total State Sources		15,862,691	-	15,862,691	21,769,020	5,906,329
Federal Sources:						
Medicaid Reimbursement	10-4210	45,532	-	45,532	41,450	(4,082)
Total Federal Services		45,532	-	45,532	41,450	(4,082)
Total Revenues		25,117,338	-	25,117,338	31,906,819	6,789,481
Expenditures:						
Instruction:						
Instruction - Regular Programs:						
Local Contribution:						
Transfer to Special Revenue - Inclusion	11-105-100-936	122,856	-	122,856	122,856	-
Salaries of Teachers:						
Kindergarten	11-110-110-101	527,520	(6,900)	520,620	483,861	36,759
Grades 1 - 5	11-120-100-101	2,550,276	(42,600)	2,507,676	2,390,659	117,017
Grades 6 - 8	11-130-100-101	1,591,636	-	1,591,636	1,503,026	88,610
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	28,200	18,000	46,200	31,027	15,173
Purchased Professional & Educational Services	11-150-100-320	22,000	(6,926)	15,074	14,674	400
Regular Programs - Undistributed:						
Other Salaries for Instruction	11-190-100-106	127,650	10,570	138,220	102,117	36,103
Purchased Professional & Educational Services	11-190-100-320	601,731	220,340	822,071	776,488	45,583
Purchased Technical Services	11-190-100-340	53,953	(39,000)	14,953	14,602	351
Other Purchased Services	11-190-100-500	119,628	(42,126)	77,502	67,751	9,751
General Supplies	11-190-100-610	214,490	44,226	258,716	252,406	6,310
Textbooks	11-190-100-640	500	(500)	-	-	-
Other Objects	11-190-100-800	150	-	150	-	150
Regular Programs - Employee Benefits:						
Health Benefits	11-1xx-100-270	97,520	(97,520)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
Total Instruction - Regular Programs		6,087,110	28,564	6,115,674	5,759,467	356,207

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	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	507,318	10,026	517,344	516,883	461
Other Salaries for Instruction	11-212-100-106	279,358	(36,102)	243,256	177,482	65,774
Purchased Professional & Educational Services	11-212-100-320	636,336	(142,770)	493,566	464,225	29,341
Other Purchased Services	11-212-100-500	-	2,000	2,000	2,000	-
General Supplies	11-212-100-610	31,000	(12,234)	18,766	18,445	321
Total Multiple Disabilities		1,454,012	(179,080)	1,274,932	1,179,035	95,897
Resource Room/Center:						
Salaries of Teachers	11-213-100-101	1,834,970	(14,250)	1,820,720	1,728,004	92,716
Other Salaries for Instruction	11-213-100-106	90,190	21,219	111,409	66,181	45,228
Purchased Professional & Educational Services	11-213-100-320	40,000	23,279	63,279	62,964	315
General Supplies	11-213-100-610	12,750	(11,213)	1,537	1,536	1
Total Resource Room/Center		1,977,910	19,035	1,996,945	1,858,685	138,260
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	178,809	-	178,809	137,621	41,188
Other Salaries for Instruction	11-216-100-106	73,090	(17,000)	56,090	18,907	37,183
Purchased Professional & Educational Services	11-216-100-320	85,000	17,331	102,331	95,180	7,151
Other Purchased Services	11-216-100-500	-	50	50	23	27
General Supplies	11-216-100-610	2,250	(1,633)	617	575	42
Total Preschool Disabilities - Full Time		339,149	(1,252)	337,897	252,306	85,591
Employee Benefits - Special Education:						
Health Benefits	11-2xx-100-270	249,100	(249,100)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
Total Employee Benefits - Special Education		262,100	(262,100)	-	-	-
Total Special Education		4,033,171	(423,397)	3,609,774	3,290,026	319,748
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	411,430	(113,693)	297,737	191,214	106,523
Purchased Professional & Educational Services	11-230-100-320	3,000	-	3,000	205	2,795
General Supplies	11-230-100-610	5,800	(505)	5,295	2,442	2,853
Total Basic Skills/Remedial		420,230	(114,198)	306,032	193,861	112,171

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Bilingual Education:						
Salaries of Teachers	11-240-100-101	161,333	126	161,459	155,236	6,223
Other Salaries for Instruction	11-240-100-106	5,000	-	5,000	-	5,000
Purchased Professional & Educational Services	11-240-100-320	4,500	(4,500)	-	-	-
Other Purchased Services	11-240-100-500	-	49	49	49	-
General Supplies	11-240-100-610	2,850	921	3,771	3,400	371
Total Bilingual Education		173,683	(3,404)	170,279	158,685	11,594
School Sponsored Cocurricular Activities:						
Salaries of Teachers	11-401-100-100	191,148	-	191,148	105,520	85,628
Purchased Services	11-401-100-500	13,050	(3,524)	9,526	4,485	5,041
Supplies and Materials	11-401-100-610	20,960	(3,575)	17,385	11,602	5,783
Other Objects	11-401-100-800	12,185	(1,537)	10,648	8,669	1,979
Total School Sponsored Cocurricular Activities		237,343	(8,636)	228,707	130,276	98,431
School Sponsored Athletics:						
Salaries of Teachers	11-402-100-100	30,574	5,000	35,574	35,347	227
Total School Sponsored Athletics		30,574	5,000	35,574	35,347	227
Other Instructional Programs:						
Salaries of Teachers	11-403-100-100	-	47,700	47,700	46,284	1,416
Supplies and Materials	11-403-100-600	-	1,250	1,250	1,154	96
Total Other Instructional Programs		-	48,950	48,950	47,438	1,512
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 Supplement/At-Risk Program:						
Purchased Professional & Technical Services	11-424-100-300	21,275	-	21,275	15,993	5,282
Total Other Supplement/At-Risk		21,275	-	21,275	15,993	5,282
Other Alternative Education Programs						
Other Salaries of Instruction	11-425-100-106	17,893	325	18,218	17,994	224
Total Other Alternative Education Programs		17,893	325	18,218	17,994	224
Other Instructional Programs - Instruction:						
Salaries	11-4XX-100-100	33,325	(33,325)	-	-	-
Supplies and Materials	11-4XX-100-600	1,250	(1,250)	-	-	-
Total Other Instructional Programs - Instruction		34,575	(34,575)	-	-	-

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services:						
Tuition:						
Tuition to Other LEA's - Within State						
Regular	11-000-100-561	224,394	16,736	241,130	238,299	2,831
Tuition to Other LEA's - Within State						
Special	11-000-100-562	55,121	45,787	100,908	99,978	930
Tuition to County Special Services						
& Regular Day Schools	11-000-100-565	1,164,031	(44,300)	1,119,731	739,609	380,122
Tuition to Private Schools -						
Handicapped Within State	11-000-100-566	1,260,946	(210,300)	1,050,646	862,555	188,091
Tuition - Other	11-000-100-569	93,139	-	93,139	64,215	28,924
Total Tuition		2,797,631	(192,077)	2,605,554	2,004,656	600,898
Attendance & Social Work Services:						
Salaries	11-000-211-100	66,089	3,804	69,893	67,262	2,631
Salaries of Community/School Coordinators	11-000-211-174	153,900	(109,256)	44,644	42,280	2,364
Purchased Professional & Technical Services	11-000-211-300	33,984	(31,000)	2,984	-	2,984
Other Purchased Services	11-000-211-500	7,500	(4,000)	3,500	135	3,365
Supplies and Material	11-000-211-600	1,050	(1,050)	-	-	-
Other Objects	11-000-211-800	1,095	(890)	205	80	125
Total Attendance & Social Work Services		263,618	(142,392)	121,226	109,757	11,469
Health Services:						
Salaries	11-000-213-100	296,517	(35,081)	261,436	248,858	12,578
Purchased Professional &						
Technical Services	11-000-213-300	17,250	-	17,250	9,747	7,503
Other Purchased Services	11-000-213-500	1,275	-	1,275	-	1,275
Supplies and Materials	11-000-213-600	12,257	(2,120)	10,137	5,501	4,636
Supplies and Materials - Menstrual Products	11-000-213-616	-	3,521	3,521	3,521	-
Other Objects	11-000-213-800	450	-	450	446	4
Total Health Services		327,749	(33,680)	294,069	268,073	25,996
Speech, OT, PT, Related & Extraordinary Services:						
Salaries	11-000-216-100	222,530	-	222,530	220,687	1,843
Purchased Professional &						
Educational Services	11-000-216-320	358,712	(102,908)	255,804	209,141	46,663
Supplies and Materials	11-000-216-600	11,375	(9,125)	2,250	620	1,630
Other Objects	11-000-216-800	2,250	2,418	4,668	4,668	-
Total Speech, OT, PT, Related & Extraordinary Services:		594,867	(109,615)	485,252	435,116	50,136
Other Support Services- Extra Services:						
Purchased Professional &						
Educational Services	11-000-217-320	420,480	9,552	430,032	358,758	71,274
Supplies and Materials	11-000-217-600	-	5,115	5,115	4,362	753
Total Other Support Services:		420,480	14,667	435,147	363,120	72,027
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	417,377	129,736	547,113	526,166	20,947
Purchased Professional- Education Services	11-000-218-320	1,500	1,000	2,500	2,490	10
Other Purchased Services	11-000-218-500	-	348	348	348	-
Supplies and Materials	11-000-218-600	5,426	(2,848)	2,578	2,513	65
Other Objects	11-000-218-800	-	890	890	890	-
Total Guidance		424,303	129,126	553,429	532,407	21,022

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	529,815	(21,847)	507,968	492,966	15,002
Salaries of Secretarial & Clerical Assistants	11-000-219-105	75,471	25,575	101,046	99,308	1,738
Purchased Professional & Educational Services	11-000-219-320	132,094	5,551	137,645	107,795	29,850
Other Purchased Services	11-000-219-500	36,345	(28,220)	8,125	6,647	1,478
Supplies and Materials	11-000-219-600	18,250	(6,155)	12,095	11,504	591
Other Objects	11-000-219-800	3,850	(2,750)	1,100	690	410
Total Child Study Teams		795,825	(27,846)	767,979	718,910	49,069
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	165,631	4,794	170,425	159,997	10,428
Salaries of Other Professional Staff	11-000-221-104	18,900	(76)	18,824	6,068	12,756
Salaries of Secretarial & Clerical Assistants	11-000-221-105	23,877	76	23,953	23,952	1
Purchased Professional & Educational Services	11-000-221-320	4,080	258	4,338	4,338	-
Other Purchased Services	11-000-221-500	4,954	(258)	4,696	2,619	2,077
Supplies and Materials	11-000-221-600	3,400	(475)	2,925	2,775	150
Other Objects	11-000-221-800	1,413	-	1,413	970	443
Total Improvement of Instructional Services		222,255	4,319	226,574	200,719	25,855
Educational Media Services - School Library:						
Salaries	11-000-222-100	178,039	8,016	186,055	154,261	31,794
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,457	43
Other Purchased Services	11-000-222-500	210	(121)	89	89	-
Supplies and Materials	11-000-222-600	14,951	(1,489)	13,462	13,462	-
Other Objects	11-000-222-800	-	210	210	-	210
Total Educational Media Services - School Library		198,700	6,616	205,316	173,269	32,047
Instructional Staff Training Services:						
Salaries of Supervisor of Instruction	11-000-223-102	60,692	(76)	60,616	52,846	7,770
Salaries of Secretarial & Clerical Assistants	11-000-223-105	23,877	76	23,953	23,952	1
Purchased Professional & Educational Services	11-000-223-320	24,000	-	24,000	24,000	-
Other Purchased Prof and Tech Services	11-000-223-390	90,000	-	90,000	38,000	52,000
Other Purchased Services	11-000-223-500	9,000	-	9,000	5,787	3,213
Supplies and Materials	11-000-223-600	9,000	(4,794)	4,206	2,932	1,274
Other Objects	11-000-223-800	90	-	90	-	90
Total Instructional Staff Training Services		216,659	(4,794)	211,865	147,517	64,348

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
General Administration:						
Salaries	11-000-230-100	227,106	4,500	231,606	226,630	4,976
Legal Services	11-000-230-331	62,000	54,100	116,100	102,075	14,025
Audit Services	11-000-230-332	40,000	1,265	41,265	41,265	-
Architectural/Engineering Services	11-000-230-334	15,000	-	15,000	6,426	8,574
Other Purchased Professional Services	11-000-230-339	8,000	(5,735)	2,265	2,265	-
Purchased Technical Services	11-000-230-340	10,000	(10,000)	-	-	-
Communications/Telephone	11-000-230-530	93,700	(8,356)	85,344	48,784	36,560
Travel	11-000-230-580	-	8,200	8,200	3,975	4,225
BOE Other Purchased Services	11-000-230-585	9,800	(3,650)	6,150	3,809	2,341
Other Purchased Services	11-000-230-590	25,325	(11,200)	14,125	10,795	3,330
Supplies & Materials	11-000-230-610	9,750	-	9,750	6,265	3,485
BOE In-House Training/Supplies	11-000-230-630	1,650	-	1,650	1,571	79
Judgments Against District	11-000-230-820	35,000	(15,000)	20,000	-	20,000
Miscellaneous Expenditures	11-000-230-890	3,700	-	3,700	3,088	612
BOE Membership Dues & Fees	11-000-230-895	10,445	-	10,445	9,952	493
Total General Administration		551,476	14,124	565,600	466,900	98,700
School Administration:						
Salaries of Principals/Assistants Principals	11-000-240-103	445,034	45,029	490,063	455,245	34,818
Salaries of Secretarial & Clerical Assistants	11-000-240-105	309,489	21,000	330,489	304,441	26,048
Purchased Professional & Technical Services	11-000-240-300	27,000	(24,383)	2,617	990	1,627
Other Purchased Services	11-000-240-500	8,150	-	8,150	3,147	5,003
Supplies & Materials	11-000-240-600	29,400	2,177	31,577	17,904	13,673
Other Objects	11-000-240-800	4,300	-	4,300	3,970	330
Total School Administration		823,373	43,823	867,196	785,697	81,499
Central Services:						
Salaries	11-000-251-100	337,456	30,000	367,456	337,653	29,803
Purchased Technical Services	11-000-251-340	15,800	9,940	25,740	16,563	9,177
Miscellaneous Purchased Services	11-000-251-592	10,641	(1)	10,640	6,443	4,197
Supplies & Materials	11-000-251-600	10,230	19,500	29,730	10,277	19,453
Miscellaneous Expenditures	11-000-251-890	3,600	-	3,600	1,575	2,025
Total Central Services		377,727	59,439	437,166	372,511	64,655

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Admin Info Technology:						
Salaries	11-000-252-100	131,739	-	131,739	76,359	55,380
Purchased Technical Services	11-000-252-340	173,176	-	173,176	138,918	34,258
Supplies & Materials	11-000-252-600	30,775	3,230	34,005	14,099	19,906
Total Admin Info Technology		335,690	3,230	338,920	229,376	109,544
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance						
Services	11-000-261-420	165,340	7,085	172,425	137,255	35,170
General Supplies	11-000-261-610	102,025	(29,506)	72,519	51,569	20,950
Other Objects	11-000-261-800	6,175	-	6,175	3,464	2,711
Total Regular Maintenance School Facilities		273,540	(22,421)	251,119	192,288	58,831
Custodial Services:						
Salaries	11-000-262-100	1,073,641	(13,842)	1,059,799	972,663	87,136
Salaries of Non-Instructional Aides	11-000-262-107	167,338	4,410	171,748	140,757	30,991
Health Benefits	11-000-262-270	286,200	(286,200)	-	-	-
Purchased Professional & Technical Services	11-000-262-300	32,800	(715)	32,085	25,256	6,829
Cleaning, Repair & Maintenance Services	11-000-262-420	64,700	2,965	67,665	40,928	26,737
Rental of Land & Buildings	11-000-262-441	3,550	-	3,550	-	3,550
Other Purchased Property Services	11-000-262-490	63,000	-	63,000	47,324	15,676
Insurance	11-000-262-520	128,200	163	128,363	128,363	-
Miscellaneous Purchased Services	11-000-262-590	2,900	(163)	2,737	2,027	710
General Supplies	11-000-262-610	92,415	(26,250)	66,165	63,679	2,486
Energy (Natural Gas)	11-000-262-621	142,500	(25,217)	117,283	96,713	20,570
Energy (Electricity)	11-000-262-622	460,000	50,217	510,217	417,642	92,575
Total Custodial Services		2,517,244	(294,632)	2,222,612	1,935,352	287,260
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service	11-000-263-420	26,500	-	26,500	21,638	4,862
General Supplies	11-000-263-610	33,200	(3,592)	29,608	7,414	22,194
Total Care & Upkeep of Grounds		59,700	(3,592)	56,108	29,052	27,056
Security:						
Purchased Professional & Technical Services	11-000-266-300	103,200	(2,000)	101,200	94,048	7,152
Cleaning, Repair & Maintenance Service	11-000-266-420	31,500	586	32,086	29,288	2,798
General Supplies	11-000-266-610	2,600	1,414	4,014	2,984	1,030
Other Objects	11-000-266-800	915	-	915	915	-
Total Security		138,215	-	138,215	127,235	10,980
Total Operation & Maintenance of Plant Services		2,988,699	(320,645)	2,668,054	2,283,927	384,127

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	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	25,000	-	25,000	25,000	-
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	47,000	-	47,000	43,482	3,518
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	40,850	(2,963)	37,887	28,055	9,832
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	250,000	(166,990)	83,010	83,005	5
Contracted Services (Special Education) - Vendors	11-000-270-514	-	13,812	13,812	4,265	9,547
Contracted Services (Special Education) - Joint Agreement	11-000-270-515	-	25,608	25,608	25,608	-
Contracted Services (Regular Students) - ESCs & CTSA	11-000-270-517	-	65,296	65,296	33,763	31,533
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	500,000	343,131	843,131	782,213	60,918
Total Student Transportation Services		862,850	277,894	1,140,744	1,025,391	115,353
Personal Services - Employee Benefits:						
Social Security Contributions	11-000-291-220	295,000	-	295,000	169,513	125,487
Other Retirement Contributions - PERS	11-000-291-241	325,000	-	325,000	275,520	49,480
Regular	11-000-291-249	36,000	-	36,000	15,224	20,776
Unemployment Benefits	11-000-291-250	35,000	-	35,000	35,000	-
Workman's Compensation	11-000-291-260	173,000	-	173,000	133,914	39,086
Health Benefits	11-000-291-270	2,734,519	697,107	3,431,626	2,838,196	593,430
Tuition Reimbursement	11-000-291-280	20,000	39,400	59,400	19,228	40,172
Other Employee Benefits	11-000-291-290	308,300	-	308,300	162,226	146,074
Total Personal Services - Employee Benefits		3,926,819	736,507	4,663,326	3,648,821	1,014,505
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	1,050,080	(1,050,080)
On-Behalf TPAF Pension Contributions		-	-	-	3,593,693	(3,593,693)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	2,089	(2,089)
Reimbursed TPAF Social Security Contributions		-	-	-	758,539	(758,539)
Total Nonbudgeted		-	-	-	5,404,401	(5,404,401)
Total Undistributed Expenditures		16,128,721	458,696	16,587,417	19,170,568	(2,583,151)
Total Expenditures - Current Expense		27,189,575	(42,675)	27,146,900	28,819,655	(1,672,755)
Capital Outlay:						
Increase to Capital Reserve	10-604	1,000	-	1,000	-	1,000
Increase to Maintenance Reserve	10-606	1,000	-	1,000	-	1,000
Equipment:						
Regular Programs - Instruction:						
Grades 6 - 8	12-130-100-730	187,300	(148,133)	39,167	39,167	-
Administration Info Tech	12-000-252-730	-	13,972	13,972	-	13,972
Maintenance Services	12-000-261-730	-	206,494	206,494	146,279	60,215
Total Equipment		187,300	72,333	259,633	185,446	74,187

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	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	20,900	16,119	37,019	23,082	13,937
Construction Services	12-000-400-450	95,000	794,644	889,644	824,897	64,747
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277	-
Total Acquisition & Construction Services		129,177	810,763	939,940	861,256	78,684
Total Capital Outlay		318,477	883,096	1,201,573	1,046,702	154,871
Total Expenditures		27,508,052	840,421	28,348,473	29,866,357	(1,517,884)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,390,714)	(840,421)	(3,231,135)	2,040,462	5,271,597
Other Financing Sources/(Uses):						
Capital Reserve - Transfer to Capital Projects	12-000-400-931	(237,636)	-	(237,636)	(237,636)	-
Capital Reserve - Transfer to Repayment of Debt	12-000-400-933	(469,748)	-	(469,748)	(469,748)	-
Transfer to Charter Schools		(12,486)	12,486	-	-	-
Sources Over/(Under) Expenditures & Other Financing Uses		(3,110,584)	(827,935)	(3,938,519)	1,333,078	5,271,597
Fund Balances, July 1		13,517,424	-	13,517,424	13,517,424	-
Fund Balances, June 30		<u>\$ 10,406,840</u>	<u>\$ (827,935)</u>	<u>\$ 9,578,905</u>	<u>\$ 14,850,502</u>	<u>\$ 5,271,597</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 827,935</u>
Total Budget Transfers	<u><u>\$ 827,935</u></u>

RECAPITULATION

Restricted Fund Balance:		
Reserve for Excess Surplus		\$ 2,000,000
Maintenance Reserve		1,019,481
Capital Reserve Account		8,389,356
Reserve for New Jersey Unemployment Fund		307,713
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		2,000,000
Assigned Fund Balance:		
Year-End Encumbrances		258,999
Unassigned Fund Balance		<u>874,953</u>
Subtotal		14,850,502
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis		<u>(1,487,298)</u>
Total Fund Balance per Governmental Funds (GAAP)		<u><u>\$ 13,363,204</u></u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES:					
Local Sources	\$ 122,856	\$ 30,484	\$ 153,340	\$ 150,692	\$ (2,648)
State Sources	1,933,651	188,610	2,122,261	1,930,169	(192,092)
Federal Sources	1,416,114	1,091,833	2,507,947	2,265,068	(242,879)
Total - Revenues	3,472,621	1,310,927	4,783,548	4,345,929	(437,619)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	462,325	282,566	744,891	693,559	51,332
Salaries of Other Professionals	160,885	(35,566)	125,319	124,481	838
Professional Education Services	617,730	108,736	726,466	721,681	4,785
General Supplies	72,275	184,130	256,405	149,281	107,124
Textbooks	-	7,006	7,006	7,006	-
Tuition	375,542	80,319	455,861	453,295	2,566
Other Objects	5,000	(2,654)	2,346	2,346	-
Total Instruction	1,693,757	624,537	2,318,294	2,151,649	166,645
Support Services:					
Salaries of Program Directors	37,547	(465)	37,082	37,082	-
Other Salaries	95,543	84,195	179,738	179,738	-
Salaries of Community Parent Involvement	68,717	5,337	74,054	74,054	-
Salaries of Master Teachers	158,944	(486)	158,458	158,458	-
Purchased Technical Services	67,642	115,329	182,971	136,412	46,559
Purchased Educational Services	423,348	286,902	710,250	477,745	232,505
Purchased Educational Services- Head Start	286,140	(18,810)	267,330	261,878	5,452
Other Employee Benefits	350,130	(34,733)	315,397	406,300	(90,903)
Other Purchased Services	45,000	14,558	59,558	28,817	30,741
Travel	2,000	16,900	18,900	7,005	11,895
Supplies & Materials	30,001	9,999	40,000	31,371	8,629
Other Objects	-	10,000	10,000	5,363	4,637
Student Activities	-	-	-	5,897	(5,897)
Total Support Services	1,565,012	488,726	2,053,738	1,810,120	243,618
Facilities Acquisition & Construction Services:					
Facility Improvements	213,852	-	213,852	213,852	-
Non-instructional Equipment	-	178,854	178,854	168,369	10,485
Total Facilities Acquisition & Construction Services	213,852	178,854	392,706	382,221	10,485
Total Expenditures	3,472,621	1,292,117	4,764,738	4,343,990	420,748
Total Outflows	3,472,621	1,292,117	4,764,738	4,343,990	420,748
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ 18,810	\$ 18,810	\$ 1,939	\$ (16,871)
Fund Balance, July 1					<u>\$ 6,173</u>
Fund Balance, June 30					<u>\$ 8,112</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2025**

**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)	\$ 31,906,819	\$ 4,345,929
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(211,502)
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,304,188	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,487,298)	(154,541)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 31,723,709</u>	<u>\$ 3,979,886</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 29,866,357	\$ 4,343,990
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.	-	(211,502)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 29,866,357</u>	<u>\$ 4,132,488</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.020248%	0.019997%	0.01983%	0.01986%	0.01934%	0.01894%	0.02044%	0.02030%	0.02205%	0.02269%
District's proportionate share of the net pension liability (asset)	\$ 2,751,291	\$ 2,896,501	\$ 2,992,467	\$ 2,352,273	\$ 3,154,581	\$ 3,412,230	\$ 4,023,605	\$ 4,725,445	\$ 6,531,143	\$ 5,094,517
District's covered-employee payroll	1,981,347	1,784,783	1,537,837	1,499,751	1,444,149	1,446,432	1,351,598	1,364,150	1,371,378	1,393,484
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	138.86%	162.29%	194.59%	156.84%	218.44%	235.91%	297.69%	346.40%	476.25%	365.60%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 275,517	\$ 267,271	\$ 250,053	\$ 232,540	\$ 211,619	\$ 184,205	\$ 203,265	\$ 188,055	\$ 195,906	\$ 195,114
Contributions in relation to the contractually required contribution	(275,517)	(267,271)	(250,053)	(232,540)	(211,619)	(184,205)	(203,265)	(188,055)	(195,906)	(195,114)
District's covered-employee payroll	\$ 1,981,347	\$ 1,784,783	\$ 1,537,837	\$ 1,499,751	\$ 1,444,149	\$ 1,446,432	\$ 1,351,598	\$ 1,364,150	\$ 1,371,378	\$ 1,393,484
Contributions as a percentage of covered-employee payroll	13.91%	14.97%	16.26%	15.51%	14.65%	12.74%	15.04%	13.79%	14.29%	14.00%

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

	Measurement Date Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	40,924,269	42,368,185	41,065,604	38,205,032	49,420,345	48,039,139	49,805,294	51,221,750	58,542,098	46,370,860
	\$ 40,924,269	\$ 42,368,185	\$ 41,065,604	\$ 38,205,032	\$ 49,420,345	\$ 48,039,139	\$ 49,805,294	\$ 51,221,750	\$ 58,542,098	\$ 46,370,860
District's covered-employee payroll	\$ 10,396,745	\$ 10,440,620	\$ 10,311,467	\$ 9,895,827	\$ 9,040,790	\$ 8,749,429	\$ 8,454,712	\$ 8,180,846	\$ 8,042,208	\$ 7,206,805
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	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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)

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 EIGHT FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability								
Service Cost	\$ 1,875,225	\$ 1,815,706	\$ 2,376,140	\$ 2,680,274	\$ 1,430,271	\$ 1,371,668	\$ 1,481,803	\$ 1,797,478
Interest Cost	1,703,219	1,639,432	1,207,127	1,411,754	1,390,535	1,701,689	1,843,702	1,602,068
Differences Between Expected and Actual Experiences	(1,001,273)	(1,313,131)	921,736	(10,578,460)	10,024,918	(6,850,594)	(4,655,118)	-
Changes of Assumptions	3,870,979	93,825	(12,219,213)	53,691	11,312,542	578,773	(4,954,233)	(6,676,316)
Contributions: Member	44,540	42,013	38,358	36,092	32,679	35,322	39,898	43,131
Gross Benefit Payments	(1,300,776)	(1,277,964)	(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	5,191,914	999,881	(8,871,547)	(7,508,716)	23,112,789	(4,354,725)	(7,398,359)	(4,404,962)
District's Total OPEB Liability (Beginning)	46,549,944	45,550,063	54,421,610	61,930,326	38,817,537	43,172,262	50,573,621	54,978,583
District's Total OPEB Liability (Ending)	\$ 51,741,858	\$ 46,549,944	\$ 45,550,063	\$ 54,421,610	\$ 61,930,326	\$ 38,817,537	\$ 43,175,262	\$ 50,573,621
District's Covered Employee Payroll	\$ 11,978,457	\$ 11,811,218	\$ 11,339,976	\$ 10,487,222	\$ 10,101,027	\$ 9,818,862	\$ 9,552,224	\$ 9,435,692
District's Net OPEB Liability as a Percentage of Payroll	432%	394%	402%	519%	613%	395%	452%	536%

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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 3.65% as of June 30, 2023, to 3.93% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	TITLE I PART A	TITLE II PART A	TITLE III PART A	TITLE IV PART A	IDEA - B	
					BASIC	PRESCHOOL
Revenues:						
Federal Sources	\$ 608,314	\$ 61,451	\$ 7,120	\$ 33,913	\$ 454,447	\$ 12,794
Total Revenues	\$ 608,314	\$ 61,451	\$ 7,120	\$ 33,913	\$ 454,447	\$ 12,794
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 207,756	\$ -	\$ 3,722	\$ -	\$ -	\$ -
Professional Education Services	110,162	-	-	15,001	-	-
Tuition	-	-	-	-	428,067	12,794
General Supplies	27,301	-	-	4,790	-	-
Total Instruction	345,219	-	3,722	19,791	428,067	12,794
Support Services:						
Other Salaries	22,283	32,745	-	3,378	-	-
Purchased Technical Services	11,500	23,400	-	900	26,380	-
Employee Benefits	89,852	-	1,729	-	-	-
Other Purchased Services	139,460	5,011	1,669	-	-	-
Travel	-	295	-	1,735	-	-
Supplies & Materials	-	-	-	2,746	-	-
Other Objects	-	-	-	5,363	-	-
Total Support Services	263,095	61,451	3,398	14,122	26,380	-
Total Expenditures	\$ 608,314	\$ 61,451	\$ 7,120	\$ 33,913	\$ 454,447	\$ 12,794

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	NONPUBLIC				CHAPTER 192 AUXILIARY SERVICES		BIPARTISAN SAFER COMMUNITIES	PRESCHOOL EDUCATION EXPANSION AID
	TEXTBOOK	NURSING	SECURITY	TECHNOLOGY	COMPENSATORY EDUCATION	SUPPLEMENTAL INSTRUCTION		
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,856
State Sources	7,006	17,940	27,626	6,595	30,168	5,700	-	1,810,818
Federal Sources	-	-	-	-	-	-	799,417	-
Total Revenues	<u>\$ 7,006</u>	<u>\$ 17,940</u>	<u>\$ 27,626</u>	<u>\$ 6,595</u>	<u>\$ 30,168</u>	<u>\$ 5,700</u>	<u>\$ 799,417</u>	<u>\$ 1,933,674</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,891
Salaries of Other Professionals	-	-	-	-	-	-	-	124,481
Professional Education Services	-	17,940	-	-	30,168	5,700	434,000	84,394
General Supplies	-	-	27,626	6,595	-	-	3,358	65,563
Textbooks	7,006	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	2,346
Total Instruction	<u>7,006</u>	<u>17,940</u>	<u>27,626</u>	<u>6,595</u>	<u>30,168</u>	<u>5,700</u>	<u>437,358</u>	<u>721,675</u>
Support Services:								
Salaries of Program Directors	-	-	-	-	-	-	-	37,082
Salaries of Other Professional Staff	-	-	-	-	-	-	17,640	94,121
Salaries of Community Parent Involvement	-	-	-	-	-	-	-	74,054
Salaries of Master Teachers	-	-	-	-	-	-	-	158,458
Employee Benefits	-	-	-	-	-	-	-	314,202
Purchased Educational Services- Head Start	-	-	-	-	-	-	-	261,878
Purchased Technical Services	-	-	-	-	-	-	-	74,232
Purchased Educational Services	-	-	-	-	-	-	331,605	-
Other Purchased Services	-	-	-	-	-	-	-	28,817
Travel	-	-	-	-	-	-	2,999	1,976
Supplies & Materials	-	-	-	-	-	-	9,815	18,810
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,059</u>	<u>1,063,630</u>
Facilities Acquisition & Construction Services:								
Non-instructional Equipment	-	-	-	-	-	-	-	148,369
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,369</u>
Total Expenditures	<u>\$ 7,006</u>	<u>\$ 17,940</u>	<u>\$ 27,626</u>	<u>\$ 6,595</u>	<u>\$ 30,168</u>	<u>\$ 5,700</u>	<u>\$ 799,417</u>	<u>\$ 1,933,674</u>

MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	CHAPTER 193 HANDICAPPED SERVICES							
	EXAMINATION AND		ARP			STUDENT		
	CORRECTIVE SPEECH	CLASSIFICATION	BEYOND SCHOOL	ESSER III	SPELLBOUND	ACTIVITIES	2025	
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 7,836	\$ 150,692	
State Sources	7,254	17,062	-	-	-	-	1,930,169	
Federal Sources	-	-	39,999	247,613	-	-	2,265,068	
Total Revenues	\$ 7,254	\$ 17,062	\$ 39,999	\$ 247,613	\$ 20,000	\$ 7,836	\$ 4,345,929	
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ 37,190	\$ -	\$ -	\$ -	\$ 693,559	
Salaries of Aides	-	-	-	-	-	-	124,481	
Purchased Professional & Educational Services	7,254	17,062	-	-	-	-	721,681	
General Supplies	-	-	-	14,048	-	-	149,281	
Textbooks	-	-	-	-	-	-	7,006	
Tuition	-	-	-	12,434	-	-	453,295	
Other Objects	-	-	-	-	-	-	2,346	
Total Instruction	7,254	17,062	37,190	26,482	-	-	2,151,649	
Support Services:								
Salaries of Program Directors	-	-	-	-	-	-	37,082	
Other Salaries	-	-	2,809	6,762	-	-	179,738	
Salaries of Community Parent Involvement	-	-	-	-	-	-	74,054	
Salaries of Master Teachers	-	-	-	-	-	-	158,458	
Purchased Technical Services	-	-	-	-	-	-	136,412	
Purchased Educational Services	-	-	-	-	-	-	477,745	
Purchased Educational Services- Head Start	-	-	-	-	-	-	261,878	
Other Employee Benefits	-	-	-	517	-	-	406,300	
Other Purchased Services								
(400-500)	-	-	-	-	-	-	28,817	
Travel	-	-	-	-	-	-	7,005	
Supplies & Materials	-	-	-	-	-	-	31,371	
Other Objects	-	-	-	-	-	-	5,363	
Student Activities	-	-	-	-	-	5,897	5,897	
Total Support Services	-	-	2,809	7,279	-	5,897	1,810,120	
Facilities Acquisition & Construction Services:								
Facility Improvements	-	-	-	213,852	-	-	213,852	
Non-instructional Equipment	-	-	-	-	20,000	-	168,369	
Total Facilities Acquisition & Construction Services	-	-	-	213,852	20,000	-	382,221	
Total Expenditures	7,254	17,062	39,999	247,613	20,000	5,897	4,343,990	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	1,939	1,939	
Fund Balance, July 1	-	-	-	-	-	6,173	6,173	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,112	\$ 8,112	

**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, 2025**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 444,891	\$ 444,891	\$ -
Other Salaries for Instruction	125,319	124,481	838
Purchased Professional Services	151,466	84,394	67,072
Supplies	66,405	65,563	842
Other Objects	2,346	2,346	-
Total Instruction	790,427	721,675	68,752
Support Services:			
Salaries of Program Directors	37,082	37,082	-
Salaries of Other Professional Staff	94,121	94,121	-
Salaries of Community Parent Involvement	74,054	74,054	-
Salaries of Master Teachers	158,458	158,458	-
Employee Benefits	314,397	314,202	195
Purchased Educational Services- Head Start	267,330	261,878	5,452
Purchased Services- Ed. Services	75,000	74,232	768
Other Purchased Professional Services	59,558	28,817	30,741
Travel	18,900	1,976	16,924
Supplies & Materials	18,810	18,810	-
Total Support Services	1,117,710	1,063,630	54,080
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	148,370	148,369	1
Total Facilities Acquisition & Construction Services	148,370	148,369	1
Total Expenditures	\$ 2,056,507	\$ 1,933,674	\$ 122,833

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	\$ 1,545,414
Add: Actual Preschool Education Aid Carryover (June 30, 2024)	918,251
Add: Budgeted Transfer from the General Fund	122,856
Total Preschool Education Aid Funds Available for 2024-2025 Budget	2,586,521
Less: 2024-2025 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(2,056,507)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2025	530,014
Add: June 30, 2025 Unexpended Preschool Education Aid	122,833
Total Actual Preschool Education Aid Carryover	\$ 652,847
2024-2025 Preschool Education Aid Carryover Budgeted in 2025-2026	\$ 530,016

F. Capital Projects Fund

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

PROJECT TITLE/ISSUE	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2025	
	APPROPRIATIONS	PRIOR YEARS	CURRENT YEAR	
Brainerd- Boilers and Domestic Heater	\$ 650,717	\$ -	\$ 304,569	\$ 346,148
Total	\$ 650,717	\$ -	\$ 304,569	\$ 346,148

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2025:

Unexpended Project Balances June 30, 2025	\$ 346,148
Total Fund Balance (Budgetary Basis) - June 30, 2025	\$ 346,148
Less:	
Unexpended State Aid - ROD Grants	(219,741)
Total Fund Balance (GAAP Basis) - June 30, 2025	\$ 126,407

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Revenues & Other Financing Sources:	
SDA ROD Grant	\$ 413,081
Transfer from Capital Reserve	<u>237,636</u>
 Total Revenues	 <u>650,717</u>
 Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	74,455
Construction Services	<u>230,114</u>
 Total Expenditures	 <u>304,569</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 346,148
Fund Balance - Beginning	<u>-</u>
 Fund Balance - Ending	 <u><u>\$ 346,148</u></u>

**MOUNT HOLLY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
JOHN BRAINERD ELEMENTARY SCHOOL - BOILERS AND DOMESTIC HEATER
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 413,081	\$ 413,081	\$ 413,081
Transfer from Capital Reserve	-	237,636	237,636	237,636
Total Reserve	-	650,717	650,717	650,717
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	74,455	74,455	99,817
Construction Services	-	230,114	230,114	550,900
Total Expenditures & Other Financing Uses	-	304,569	304,569	650,717
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 346,148	\$ 346,148	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3430-040-23-R501
Grant Date	4/29/2025
Bond Authorization Date	
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Cost	650,717
Additional Authorized Cost	-
Revised Authorized Cost	650,717
Percentage Increase/(Decrease) Over Original Authorized Cost	0.00%
Percentage Completion	46.81%
Original Target Completion Date	2027
Revised Target Completion Date	

G. Proprietary Funds

See Exhibits G-4 through G-6

Internal Service Fund

Not Applicable

I. Long-Term Debt

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2024	ISSUED	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT					
Refunding School Bonds	10/13/2021	\$ 5,215,000	07/01/2025	\$ 385,000	1.20%	\$ 4,765,000	\$ -	\$ 380,000	\$ 4,385,000
			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						\$ 4,765,000	\$ -	\$ 380,000	\$ 4,385,000

EXHIBIT I-2

MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SERIES	DATE OF NOTE	TERM OF NOTE	INTEREST RATE	ORIGINAL AMOUNT		AMOUNT OUTSTANDING JUNE 30, 2024	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2025
				PRINCIPAL	INTEREST				
Interactive Whiteboards Copiers	4/1/2020	5 Years	1.75%	\$ 110,000	\$ 5,074	\$ 22,000	\$ -	\$ 22,000	\$ -
	5/28/2023	5 Years	4.20%	149,994	18,196	118,010	-	28,812	89,198
Total						\$ 140,010	\$ -	\$ 50,812	\$ 89,198

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Interest	\$ -	\$ -	\$ -	\$ 4,773	\$ 4,773
Total Revenues	-	-	-	4,773	4,773
Expenditures:					
Regular Debt Service:					
Principal	380,000	-	380,000	380,000	-
Interest	89,748	-	89,748	89,748	-
Total Expenditures	469,748	-	469,748	469,748	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(469,748)	-	(469,748)	(464,975)	4,773
Other Financing Sources/(Uses):					
Transfer from Capital Reserve	469,748	-	469,748	469,748	-
Total Other Financing Sources/(Uses)	469,748	-	469,748	469,748	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	-	-	-	4,773	4,773
Fund Balances July 1,	126,298	-	126,298	126,298	-
Fund Balances June 30,	\$ 126,298	\$ -	\$ 126,298	\$ 131,071	\$ 4,773

MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	OUTSTANDING BALANCE 2024	ADDITIONS/ (DEDUCTIONS)	OUTSTANDING BALANCE 2025
Compensated Absences	\$ 633,917	\$ 62,424	\$ 696,341

STATISTICAL SECTION (Unaudited)

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital,										
Assets	\$ 26,182,711	\$ 25,090,978	\$ 23,583,175	\$ 23,555,781	\$ 23,041,848	\$ 23,143,204	\$ 22,633,285	\$ 21,956,451	\$ 21,755,250	\$ 22,113,558
Restricted										
Capital Projects	8,515,763	6,538,062	5,931,262	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248
Debt Service	131,071	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779
New Jersey Unemployment Fund	307,713	241,923	233,668	186,851	176,599	-	-	-	-	-
Student Activities	8,112	6,173	7,765	3,358	8,419	-	-	-	-	-
Other Purposes	5,019,481	5,119,000	5,119,481	4,837,382	5,233,782	5,062,782	3,601,782	9,151,510	8,198,391	7,417,955
Unrestricted	(4,030,688)	(3,325,395)	(3,981,597)	(4,320,478)	(5,255,934)	(5,877,109)	(5,543,065)	(6,456,819)	(6,482,855)	(8,404,457)
Total Governmental Activities	\$ 36,134,163	\$ 33,797,039	\$ 30,864,159	\$ 29,438,075	\$ 28,358,370	\$ 27,343,328	\$ 25,824,632	\$ 25,320,390	\$ 24,198,326	\$ 24,154,083
Net Position										
Business-Type Activities:										
Net Investment in Capital,										
Assets	\$ 170,172	\$ 184,543	\$ 157,732	\$ 117,787	\$ 131,148	\$ 8,966	\$ 8,966	\$ 8,566	\$ 17,271	\$ 25,947
Unrestricted	188,600	365,877	380,200	320,847	102,953	163,391	127,153	104,020	169,115	138,868
Total Business-Type Activities	\$ 358,772	\$ 550,420	\$ 537,932	\$ 438,634	\$ 234,101	\$ 172,357	\$ 136,119	\$ 112,586	\$ 186,386	\$ 164,815
Net Position										
Government-Wide:										
Net Investment in Capital,										
Assets	\$ 26,352,883	\$ 25,275,521	\$ 23,740,907	\$ 23,673,568	\$ 23,172,996	\$ 23,152,170	\$ 22,642,251	\$ 21,965,017	\$ 21,772,521	\$ 22,139,505
Restricted:										
Capital Projects	8,515,763	6,538,062	5,931,262	4,886,346	5,145,801	4,995,086	4,938,768	623,006	627,711	2,987,248
Debt Service	131,071	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779
New Jersey Unemployment	307,713	241,923	233,668	186,851	176,599	-	-	-	-	-
Student Activities	8,112	6,173	7,765	3,358	8,419	-	-	-	-	-
Other Purposes	5,019,481	5,119,000	5,119,481	4,837,382	5,233,782	5,062,782	3,601,782	9,151,510	8,198,391	7,417,955
Unrestricted	(3,842,088)	(2,959,518)	(3,601,397)	(3,999,631)	(5,152,961)	(5,713,718)	(5,415,912)	(6,352,799)	(6,313,740)	(8,265,589)
Total District Net Position	\$ 36,492,935	\$ 34,347,459	\$ 31,402,091	\$ 29,876,709	\$ 28,592,471	\$ 27,515,685	\$ 25,960,751	\$ 25,432,976	\$ 24,384,712	\$ 24,318,898

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 7,699,614	\$ 8,818,584	\$ 7,182,671	\$ 7,075,936	\$ 6,259,213	\$ 6,262,749	\$ 5,663,494	\$ 5,809,949	\$ 5,682,083	\$ 5,559,807
Special Education	3,290,026	3,147,690	2,962,878	2,640,018	2,363,775	2,305,417	2,131,289	2,115,466	2,018,801	2,162,306
Other Instruction	962,714	870,291	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400
Support Services & Undistributed Costs:										
Tuition	2,004,656	1,276,946	1,354,136	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496
Student & Instruction Related										
Services	4,395,888	4,357,947	3,795,787	3,434,171	2,989,103	2,469,242	2,313,927	2,030,323	2,087,780	1,989,139
General Administrative										
Services	466,900	457,686	441,024	435,783	501,277	443,119	458,771	413,852	379,281	340,412
School Administrative										
Services	785,697	842,361	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377
Central Services	601,887	595,799	550,427	598,534	568,775	557,810	517,673	502,389	506,466	466,135
Plant Operations & Maintenance	2,233,115	2,280,595	2,179,703	2,250,471	1,907,501	1,808,375	2,355,571	1,951,131	6,229,117	1,922,024
Pupil Transportation	1,025,391	658,397	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631
Unallocated Benefits	5,332,752	5,712,638	5,855,387	6,847,750	9,103,670	6,924,435	7,888,459	12,224,413	9,083,386	7,348,324
Changes in Long-Term Debt	101,488	104,279	110,647	342,443	188,886	287,936	225,921	311,642	277,390	305,584
Unallocated Depreciation	1,059,294	888,488	931,244	831,852	925,786	872,633	793,058	707,170	647,006	440,877
Capital Asset Adjustments	-	-	-	-	-	-	279,998	-	-	-
Total Governmental Activities	29,959,422	30,011,701	27,758,272	27,449,449	27,630,708	24,711,685	25,667,647	28,892,107	29,725,169	23,029,512
Expense										
Business-Type Activities:										
Food Service	777,032	625,468	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880
Total Business-Type Activities	777,032	625,468	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880
Expense										
Total District Expenses	\$ 30,736,454	\$ 30,637,169	\$ 28,402,881	\$ 28,060,399	\$ 27,885,128	\$ 25,143,527	\$ 26,182,403	\$ 29,531,754	\$ 30,229,746	\$ 23,523,392
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 5,779,125	\$ 8,278,142	\$ 6,687,289	\$ 7,650,226	\$ 8,650,296	\$ 6,287,996	\$ 6,811,778	\$ 8,232,578	\$ 7,153,469	\$ 5,560,432
Total Governmental Activities	5,779,125	8,278,142	6,687,289	7,650,226	8,650,296	6,287,996	6,811,778	8,232,578	7,153,469	5,560,432
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	86,897	79,252	103,326	11,818	5,742	99,337	122,043	130,749	118,697	125,126
Operating Grants & Contributions	497,114	557,879	634,421	803,413	201,839	365,827	413,004	433,151	406,867	398,279
Total Business Type Activities	584,011	637,131	737,747	815,231	207,581	465,164	535,047	563,900	525,564	523,405
Program Revenues										
Total District Program Revenues	\$ 6,363,136	\$ 8,915,273	\$ 7,425,036	\$ 8,465,457	\$ 8,857,877	\$ 6,753,160	\$ 7,346,825	\$ 8,796,478	\$ 7,679,033	\$ 6,083,837

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,										
Net (Expense)/Revenue:										
Governmental Activities	\$ (24,180,297)	\$ (21,733,559)	\$ (21,070,983)	\$ (19,799,223)	\$ (18,980,412)	\$ (18,423,689)	\$ (18,855,869)	\$ (20,659,529)	\$ (22,571,700)	\$ (17,469,080)
Business-Type Activities	(193,021)	11,663	93,138	204,281	(46,839)	33,322	20,291	(75,747)	20,987	29,525
Total Government-Wide Net Expense	\$ (24,373,318)	\$ (21,721,896)	\$ (20,977,845)	\$ (19,594,942)	\$ (19,027,251)	\$ (18,390,367)	\$ (18,835,578)	\$ (20,735,276)	\$ (22,550,713)	\$ (17,439,555)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for										
General Purposes, Net	\$ 9,192,115	\$ 9,192,115	\$ 8,721,484	\$ 8,811,610	\$ 8,677,245	\$ 8,594,216	\$ 8,432,729	\$ 8,474,755	\$ 8,126,448	\$ 7,835,278
Unrestricted Grants &										
Contributions	16,416,299	14,460,033	13,132,573	11,757,354	10,998,269	10,623,673	10,399,158	12,792,381	14,036,919	16,480,283
Investment Earnings	6,773	7,893	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785
Miscellaneous Income	902,234	1,006,398	638,938	307,311	347,931	717,419	515,937	492,265	426,076	288,937
Gain/Loss on Capital Assets	-	-	-	-	(222,529)	-	-	-	-	-
Total Governmental Activities	26,517,421	24,666,439	22,497,067	20,878,928	19,803,694	19,942,385	19,360,111	21,781,593	22,615,943	24,619,283
Business-Type Activities:										
Investment Earnings	3,629	6,454	3,416	252	261	2,916	3,242	1,947	584	183
Adjustment to Capital Assets	(2,256)	(5,629)	2,744	-	108,322	-	-	-	-	-
Total Business-Type Activities	1,373	825	6,160	252	108,583	2,916	3,242	1,947	584	183
Total Government-Wide	\$ 26,518,794	\$ 24,667,264	\$ 22,503,227	\$ 20,879,180	\$ 19,912,277	\$ 19,945,301	\$ 19,363,353	\$ 21,783,540	\$ 22,616,527	\$ 24,619,466
Change in Net Position:										
Governmental Activities	\$ 2,337,124	\$ 2,932,880	\$ 1,426,084	\$ 1,079,705	\$ (823,282)	\$ 1,518,696	\$ 504,242	\$ 1,122,064	\$ 44,243	\$ 7,150,203
Business-Type Activities	(191,648)	12,488	99,298	204,533	61,744	36,238	23,533	(73,800)	21,571	29,708
Total District	\$ 2,145,476	\$ 2,945,368	\$ 1,525,382	\$ 1,284,238	\$ (761,538)	\$ 1,554,934	\$ 527,775	\$ 1,048,264	\$ 65,814	\$ 7,179,911

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted for:										
Capital Reserve	\$ 8,389,356	\$ 6,538,062	\$ 5,931,262	\$ 4,886,346	\$ 4,802,432	\$ 4,995,086	\$ 4,938,768	\$ 5,860,728	\$ 5,182,609	\$ 4,657,173
Emergency Reserve	-	-	-	-	-	250,000	250,000	250,000	250,000	250,000
Maintenance Reserve	1,019,481	1,019,000	1,019,481	762,382	908,782	962,782	651,782	965,782	965,782	965,782
New Jersey Unemployment Fund	307,713	241,923	233,668	186,851	176,599	-	-	-	-	-
Excess Surplus	2,000,000	2,000,000	2,100,000	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000
Excess Surplus - Designated for Subsequent Year's Expenditures	2,000,000	2,100,000	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000
Assigned to:										
Other Purposes	258,999	827,935	44,075	176,555	46,495	162,713	-	-	-	-
Unassigned	(612,345)	(513,684)	(47,520)	(40,309)	(131,818)	(621,021)	(288,504)	(315,906)	(368,193)	(356,354)
Total General Fund	\$ 13,363,204	\$ 12,213,236	\$ 11,280,966	\$ 10,046,825	\$ 10,127,490	\$ 9,599,560	\$ 8,252,046	\$ 8,835,604	\$ 7,830,198	\$ 7,061,601
All Other Governmental Funds:										
Assigned, Reported In:										
Special Revenue Fund	\$ (146,429)	\$ 6,173	\$ 7,765	\$ 3,358	\$ 8,419	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	131,071	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779
Capital Projects Fund	126,407	-	-	-	343,369	392,422	392,422	623,006	627,711	2,987,248
Total All Other Governmental Funds	\$ 111,049	\$ 132,471	\$ (21,830)	\$ 292,193	\$ 359,643	\$ 411,787	\$ 586,284	\$ 669,248	\$ 727,540	\$ 3,027,027

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local Tax Levy	\$ 9,192,115	\$ 9,192,115	\$ 8,721,484	\$ 8,811,610	\$ 8,677,245	\$ 8,594,216	\$ 8,432,729	\$ 8,474,755	\$ 8,126,448	\$ 7,835,278
Tuition Charges	259,381	664,028	318,485	215,502	285,998	544,287	377,752	204,659	243,834	141,226
Transportation	-	-	-	-	27,748	-	-	-	-	-
Interest Earnings	6,773	7,893	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785
Miscellaneous	793,545	453,155	403,874	111,953	38,534	178,945	146,958	287,606	128,480	140,479
State Sources	23,343,376	21,247,035	19,550,619	17,663,347	15,701,691	14,922,537	13,679,403	12,835,977	16,192,481	18,438,953
Federal Sources	2,306,518	4,149,231	2,436,777	2,345,123	1,351,410	866,671	1,369,345	1,423,603	1,453,796	1,366,224
Total Revenue	35,901,708	35,713,457	31,435,311	29,150,188	26,085,404	25,113,733	24,018,474	23,248,792	26,171,539	27,936,945
Expenditures:										
Instruction:										
Regular Instruction	7,699,614	8,818,584	7,182,671	7,075,936	6,259,213	6,262,749	5,663,494	5,809,949	5,682,083	5,559,807
Special Education Instruction	3,290,026	3,147,690	2,962,878	2,640,018	2,363,775	2,305,417	2,131,289	2,115,466	2,018,801	2,162,306
Other Special Instruction	962,714	870,291	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400
Support Services & Undistributed Costs:										
Tuition	2,004,656	1,276,946	1,354,136	939,745	1,238,013	1,259,226	1,359,788	1,273,307	1,233,689	890,496
Student & Instruction Related Services	4,395,888	4,357,947	3,795,787	3,434,171	2,989,103	2,489,242	2,313,927	2,030,323	2,087,780	1,989,139
School Administrative Services	785,697	842,361	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377
General Administrative Services	1,068,787	1,053,485	991,451	1,034,317	1,070,052	1,000,929	976,444	916,241	885,747	806,547
Plant Operations & Maintenance	2,283,927	2,374,114	2,287,274	2,381,549	2,037,081	2,026,773	2,447,302	1,747,414	1,818,580	1,790,757
Pupil Transportation	1,025,391	658,397	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631
Unallocated Benefits	9,053,222	8,818,628	8,583,946	8,144,833	6,756,105	5,730,316	5,778,390	5,400,043	5,135,710	4,974,852
Interest & Other Charges	103,025	105,671	111,615	224,878	193,526	201,167	212,644	326,400	241,582	322,898
Capital Outlay	1,720,215	2,073,301	461,067	1,160,707	1,009,801	989,154	2,160,946	875,070	6,832,049	10,194,167
Debt Service:										
Principal	380,000	375,000	390,000	305,000	300,000	285,000	275,000	255,000	240,000	-
Total Expenditures	34,773,162	34,772,415	30,515,193	29,393,900	25,801,378	24,050,716	24,998,922	22,301,678	27,756,191	30,295,377
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,128,546	941,042	920,118	(243,712)	284,026	1,063,017	(980,448)	947,114	(1,584,652)	(2,358,432)
Other Financing Sources/(Uses):										
Financed Purchases	-	145,529	-	-	-	110,000	313,926	-	-	-
Bond Proceeds	-	-	-	95,597	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	-	-	-	-	53,762	7,232
Total Other Financing Sources/(Uses)	-	145,529	-	95,597	-	110,000	313,926	-	53,762	7,232
Net Change in Fund Balances	\$ 1,128,546	\$ 1,086,571	\$ 920,118	\$ (148,115)	\$ 284,026	\$ 1,173,017	\$ (666,522)	\$ 947,114	\$ (1,530,890)	\$ (2,351,200)
Debt Service as a Percentage of Noncapital Expenditures	1.15%	1.15%	1.30%	1.08%	1.21%	1.24%	1.20%	1.19%	1.15%	0.00%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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
2025	\$ 469,435	\$ 2,000	\$ 259,381	\$ -	\$ 173,418	\$ 904,234
2024	302,197	2,000	664,028	-	40,173	1,008,398
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

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
2025	\$ 10,761,100	\$514,736,600	N/A	\$ 7,100	\$ 91,305,300	\$ 7,642,300	\$ 22,603,700	\$ 647,056,100	\$ 25,000	\$ 647,081,100	\$ 355,498,300	0.430	\$ 647,056,100
2024	10,700,200	514,380,900	N/A	7,100	91,502,600	7,831,800	22,603,700	647,026,300	100	647,026,400	352,072,000	0.413	647,026,300
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	0.454	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	0.444	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	0.427	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	0.413	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	0.369	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	0.364	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	0.361	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	0.362	595,356,898

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 DISTRICT	FIRE DISTRICT	BURLINGTON COUNTY	
2025	0.430	0.041	0.430	0.970	0.434	0.253	0.441	2.258
2024	0.413	0.035	0.413	0.890	0.469	0.253	0.403	2.361
2023	0.421	0.033	0.454	0.890	0.454	0.224	0.430	2.452
2022	0.416	0.028	0.444	0.866	0.444	0.187	0.404	2.345
2021	0.397	0.030	0.427	0.837	0.427	0.177	0.406	2.274
2020	0.381	0.032	0.413	0.822	0.413	0.096	0.402	2.146
2019	0.355	0.014	0.369	0.822	0.369	0.097	0.389	2.046
2018	0.346	0.018	0.364	0.791	0.364	0.097	0.380	1.996
2017	0.343	0.018	0.361	0.746	0.361	0.096	0.381	1.945
2016	0.345	0.017	0.362	0.733	0.362	0.096	0.376	1.929

Source: Municipal Tax Collector

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

TAXPAYER	2025		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
Virtua Memorial Hospital	12,967,000	1	1.99%
Levine Properties LLC	11,220,000	2	1.72%
Mount Holly Associates	7,669,457	3	1.18%
Verizon Property Tax Dept	6,781,800	4	1.04%
Mount Holly Equities	5,731,700	5	0.88%
Alaimo, Richard A	4,000,200	6	0.61%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
Public Storage Inc	2,423,900	8	0.37%
ANCDI Properties, LLC	2,349,700	9	0.36%
FRIA Properties, LLC	1,976,000	10	0.30%
Total	<u>\$ 58,724,957</u>		<u>9.02%</u>

TAXPAYER	2016		% 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%
	<u>\$ 58,724,957</u>		<u>9.42%</u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	\$ 9,192,115	\$ 9,192,115	100.00%	-
2024	9,192,115	9,192,115	100.00%	-
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%	-

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the school District's outstanding debt and its debt capacity.

**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			
2025	\$ 4,385,000	\$ 89,198	\$ 4,474,198	N/A	N/A
2024	4,765,000	140,010	4,905,010	N/A	N/A
2023	5,140,000	88,000	5,228,000	N/A	515
2022	5,530,000	195,571	5,725,571	0.62%	572
2021	5,584,000	326,649	5,910,649	0.68%	592
2020	5,884,000	456,229	6,340,229	0.24%	666
2019	6,169,000	452,366	6,621,366	0.27%	693
2018	6,444,000	25,730	6,469,730	0.31%	677
2017	6,699,000	85,928	6,784,928	0.36%	707
2016	6,939,000	143,932	7,082,932	0.38%	740

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

EXHIBIT J-11

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2025	\$ 4,385,000	\$ -	\$ 4,385,000	0.68%	N/A
2024	4,765,000	-	4,765,000	0.74%	64
2023	5,140,000	-	5,140,000	0.78%	72
2022	5,530,000	-	5,530,000	0.85%	80
2021	5,584,000	-	5,584,000	0.91%	83
2020	5,884,000	-	5,884,000	0.96%	93
2019	6,169,000	-	6,169,000	1.00%	99
2018	6,444,000	-	6,444,000	1.04%	108
2017	6,699,000	-	6,699,000	1.08%	118
2016	6,939,000	-	6,939,000	1.08%	126

a. See Exhibit J-6 for property tax data.

b. Population data can be found on Exhibit J-14

EXHIBIT J-12

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 16,397,000	100.000%	\$ 16,397,000
Rancocas Valley Regional High School	22,390,000	13.879%	3,107,482
Burlington County General Obligation Debt	173,076,920	1.016%	1,757,808
Subtotal, Overlapping Debt			21,262,290
Mount Holly School District			4,385,000
Total Direct & Overlapping Debt			\$ 25,647,290

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 26,609,271	\$ 22,866,967	\$ 23,010,133	\$ 22,989,609	\$ 22,431,371	\$ 18,436,605	\$ 18,379,785	\$ 18,024,787	\$ 19,417,430	\$ 19,514,362
Total Net Debt Applicable to Limit	4,385,000	4,765,000	5,140,000	5,530,000	5,584,000	5,884,000	6,169,000	644,000	6,699,000	6,939,000
Legal Debt Margin	\$ 22,224,271	\$ 18,101,967	\$ 17,870,133	\$ 17,459,609	\$ 16,847,371	\$ 12,552,605	\$ 12,210,785	\$ 17,380,787	\$ 12,718,430	\$ 12,575,362
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.48%	20.84%	22.34%	24.05%	24.89%	31.91%	33.56%	3.57%	34.50%	35.56%

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis

	2024	\$ 993,438,201
	2023	891,746,060
	2022	775,742,885
		<u>\$ 2,660,927,146</u>
Average Equalized Valuation of Taxable Property		<u>\$ 886,975,715</u>
Debt Limit (3% of Average Equalization Value)	\$	26,609,271
Net Bonded School Debt		<u>4,385,000</u>
Legal Debt Margin	\$	<u>22,224,271</u>

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

Demographic and Economic Information

Demographic and Economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

**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
2024	10,172	N/A	N/A	4.2%
2023	10,151	758,117,284	74,684	3.9%
2022	10,018	710,356,344	70,908	3.6%
2021	9,977	693,361,592	69,496	5.8%
2020	9,525	639,641,850	67,154	8.2%
2019	9,551	607,491,355	63,605	3.3%
2018	9,561	593,929,320	62,120	3.7%
2017	9,594	572,368,446	59,659	4.1%
2016	9,578	544,145,336	56,812	4.5%
2015	9,548	527,307,396	55,227	7.0%

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 .

Operation Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	57	55	55	53	51	49	47	49	52	54
Special Education	22	22	22	29	21	20	15	15	13	16
Other Special Education	19	19	18	9	10	10	10	11	11	11
Other Instruction	19	23	24	23	20	21	19	18	17	15
Support Services:										
Student & Instruction Related Services	22	20	18	16	17	16	17	13	14	13
School Administrative Services	17	15	16	17	16	12	13	14	13	14
General & Business Administrative Services	6	7	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	16	15	15	14	13	14	14	13	12	16
Total	178	176	174	167	148	141	139	138	145	139

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				
2025	1,153	\$ 28,819,655	\$ 24,995	6.68%	117	1-11.4	1-7.3	1,105	1,043	-5.61%	90.46%
2024	1,132	26,523,115	23,430	3.17%	119	1-10.3	1-8.42	1,187	1,105	8.33%	97.61%
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%	64	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%

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	324	355	357	292	276	342	403	374	371	349
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	356	356	331	310	324	312	321	309	314	325
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	473	421	452	439	410	424	340	352	312	310
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, 2025:

 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
John Brainerd School	\$ 50,204	\$ 70,219	\$ 67,830	\$ 68,900	\$ 69,949	\$ 35,694	\$136,723	\$ 41,699	\$ 42,099	\$ 24,565
Gertrude Folwell School	47,790	57,069	84,535	132,275	58,551	61,772	181,044	36,039	33,639	34,063
F.W. Holbein Schools	94,294	119,569	127,150	176,791	78,321	84,118	254,438	44,020	51,608	60,880
Total School Facilities	\$ 192,288	\$ 246,857	\$ 279,515	\$ 206,822	\$181,584	\$ 572,205	\$ 121,758	\$127,346	\$119,508	\$ 186,549

* 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, 2025**

	Coverage	Deductible/Retention
Commercial Package Policy: (1)		
Building & Contents (All locations)	\$ 70,409,577	\$25,000 D
Limits of Liability per occurrence	\$ 1,000,000	
Limits of Liability Aggregate	\$ 3,000,000	
Umbrella	\$ 15,000,000	\$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 D
Employee Benefit Liability Aggregate	\$ 3,000,000	\$1,000 D
Employment-Related Practices Liability	\$ 1,000,000	\$10,000 D
Crime – Employee Theft	\$ 500,000	\$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 D

- (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.

SINGLE AUDIT SECTION

EXHIBIT K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND REPORT 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, and each major fund of the Mount Holly School District (the "School District"), in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2025, 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 2, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors



Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
December 2, 2025



EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT 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 identified as subjected to audit 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, 2025. 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 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, 2025.

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 Circular 15-08-OMB, *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.

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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 federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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 standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. 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 substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink, appearing to read "Ryan Creamer".

Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
December 2, 2025

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2025

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, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCE AT JUNE 30, 2025 (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	25N1304N1099	Unavailable	\$ 50,244	7/1/24-6/30/25	\$ -	\$ 50,244	\$ (46,387)	\$ -	\$ -	\$ 3,857
Food Distribution Program (Noncash Assistance)	10.555	24N1304N1099	Unavailable	55,688	7/1/23-6/30/24	7,079	-	(7,079)	-	-	-
National School Lunch Program	10.555	25N1304N1099	100-010-3350-026	340,771	7/1/24-6/30/25	-	320,081	(340,771)	-	(20,690)	-
National School Lunch Program	10.555	24N1304N1099	100-010-3350-026	354,091	7/1/23-6/30/24	(17,485)	17,485	-	-	-	-
After School Snack Program	10.555	25N1304N1099	100-010-3350-026	3,152	7/1/24-6/30/25	-	3,152	(3,152)	-	-	-
After School Snack Program	10.555	24N1304N1099	100-010-3350-026	12,712	7/1/23-6/30/24	(523)	523	-	-	-	-
Subtotal						(10,929)	391,485	(397,399)	-	(20,690)	3,857
U.S. Department of Health and Human Services											
National Breakfast Program	10.553	25N1304N1099	100-010-3350-028	75,407	7/1/24-6/30/25	-	70,409	(75,407)	-	(4,998)	-
COVID-19 National Breakfast Program	10.553	24N1304N1099	100-010-3350-028	81,127	7/1/23-6/30/24	(4,512)	4,512	(75,407)	-	(4,998)	-
Subtotal						(15,441)	466,406	(472,796)	-	(25,688)	3,857
U.S. Department of Education											
Total Child Nutrition Cluster						-	321	(321)	-	-	-
Summer Electronic Benefit Transfer Program	10.646	25N1304N1803	100-010-3370-000	321	7/1/24-6/30/25	-	321	(321)	-	-	-
Subtotal						-	321	(321)	-	-	-
Local Food for Schools (LFS) Cooperative	10.185	Unavailable	495-010-3350-001	2,436	7/1/24-6/30/25	-	2,436	(2,436)	-	-	-
Subtotal						-	2,436	(2,436)	-	-	-
Total U.S. Department of Agriculture						(15,441)	469,163	(475,553)	-	(25,688)	3,857
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
Title I - Part A - Current Year	84.010	S010A240030	100-034-5064-194	723,507	7/1/24-9/30/25	-	511,130	(608,314)	-	(97,184)	-
Title I - Part A - Prior Year	84.010	S010A230030	100-034-5064-194	552,162	7/1/23-9/30/24	(227,143)	227,143	-	-	-	-
Subtotal						(227,143)	738,273	(608,314)	-	(97,184)	-
Title II - Part A - Current Year	84.367A	S367A240029	100-034-5063-290	68,621	7/1/24-9/30/25	-	60,578	(61,451)	-	(873)	-
Title II - Part A - Prior Year	84.367A	S367A230029	100-034-5063-290	48,088	7/1/23-9/30/24	(37,615)	37,615	-	-	-	-
Subtotal						(37,615)	98,193	(61,451)	-	(873)	-
Title III - Current Year	84.365	S365A240030	100-034-5064-187	7,063	7/1/24-9/30/25	-	2,101	(7,120)	-	(5,019)	-
Title III - Prior Year	84.365	S365A230030	100-034-5064-187	4,482	7/1/23-9/30/24	(4,962)	4,962	-	-	-	-
Subtotal						(4,962)	7,063	(7,120)	-	(5,019)	-
Title IV - Part A - Current Year	84.424	S424A240031	100-034-5069-031	37,002	7/1/24-9/30/25	-	33,475	(33,913)	-	(438)	-
Title IV - Part A - Prior Year	84.424	S424A230031	100-034-5069-031	29,144	7/1/23-9/30/24	(20,254)	20,254	-	-	-	-
BCSA Stronger Connections	84.424F	24E00112	100-034-5063-362	1,380,000	9/1/23-9/30/25	(86,684)	819,616	(799,417)	-	(66,485)	-
Subtotal						(106,938)	873,345	(833,330)	-	(66,923)	-
ARP ESSER III	84.425U	S425U210027	100-034-5120-523	3,222,233	3/13/20-9/30/24	(417,928)	665,547	(247,613)	(6)	-	-
ARP Learning, Coaching, & Support	84.425U	S425U210027	100-034-5120-523	107,923	3/13/20-9/30/24	(7,228)	7,228	-	-	-	-
ARP Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(17,876)	17,876	-	-	-	-
ARP Summer Learning	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	40,000	(39,999)	(1)	-	-
ARP Mental Health	84.425U	S425U210027	100-034-5120-523	88,501	3/13/20-9/30/24	(17,760)	17,760	-	-	-	-
ARP Homeless Children and Youth	84.425W	S425W210027	100-034-5120-523	88,501	3/13/20-9/30/24	(7,284)	7,282	-	2	-	-
NJ High Impact Tutoring Competitive	84.425V	24E00195	100-034-5120-527	97,000	10/11/23-8/31/24	(24,194)	24,194	-	-	-	-
Subtotal						(492,270)	779,887	(287,612)	(5)	-	-
ID.E.A. Part B (Special Education Cluster)											
Basic- Current Year	84.027	H027A240100	100-034-5065-016	457,059	7/1/24-9/30/25	-	449,550	(454,447)	-	(4,897)	-
Basic- Prior Year	84.027	H027A230100	100-034-5065-016	456,040	7/1/23-9/30/24	(9,630)	9,630	-	-	-	-
Subtotal						(9,630)	459,180	(454,447)	-	(4,897)	-
Preschool - Current Year	84.173	H173A240114	100-034-5065-020	12,794	7/1/24-9/30/25	-	12,794	(12,794)	-	-	-
Preschool - Prior Year	84.173	H173A230114	100-034-5065-020	13,387	7/1/23-9/30/24	(78)	78	(12,794)	-	-	-
Subtotal						(78)	12,872	(12,794)	-	-	-
Total Special Education Cluster						(9,708)	472,052	(467,241)	-	(4,897)	-
Total Department of Education						(878,636)	2,968,813	(2,265,068)	(5)	(174,896)	-
U.S. Department of Health and Human Services											
Passed Through New Jersey Department of Human Services:											
Medical Assistance Program (SEM)	93.778	2505N15MAP	100-054-7540-211	52,629	7/1/24-6/30/25	-	41,450	(41,450)	-	-	-
Subtotal						-	41,450	(41,450)	-	-	-
Total U.S. Department of Health and Human Services						(878,636)	3,010,263	(2,306,518)	(5)	(174,896)	-
Total U.S. Department of Education						\$ (894,077)	\$ 3,479,426	\$ (2,782,071)	\$ (5)	\$ (200,584)	\$ 3,857

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 15-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, 2025. 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, 2025.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

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 (\$183,110) for the general fund and (\$366,043) 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	\$ 41,450	\$ 21,585,910	\$ 21,627,360
Special Revenue Fund	2,265,068	1,564,126	3,829,194
Capital Projects Fund	-	193,340	193,340
Food Service Fund	475,553	21,561	497,114
	<u> </u>	<u> </u>	<u> </u>
Total Awards & Financial Assistance	<u>\$ 2,782,071</u>	<u>\$ 23,364,937</u>	<u>\$ 26,147,008</u>

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiency(ies) identified?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?

_____ yes X no

Identification of major programs:

Assistance Listing Number(s)

FAIN Number(s)

Name of Federal Program or Cluster

84.424, 84.424F

S424A240031,
S424A230031,
24E00112

Title IV Part A, Bipartisan Safer Communities Act – Stronger
Connections

Dollar threshold used to determine Type A programs

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

State Grant/Project Number(s)

Name of State Program

<u>495-034-5120-078</u>	Equalization Aid
<u>495-034-5120-085</u>	Adjustment Aid
<u>495-034-5120-084</u>	Categorical Security Aid
<u>495-034-5120-089</u>	Categorical Special Education Aid

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 Office of School Finance, Department of Education, State of New Jersey.

None.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A