

**MOUNT HOLLY
SCHOOL DISTRICT**

Mount Holly, New Jersey
County of Burlington

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

MOUNT HOLLY SCHOOL DISTRICT

MOUNT HOLLY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared by

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

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INTRODUCTORY SECTION

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October 28, 2024

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, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Mount Holly School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2024, 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>
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%
2014-2015	1,020	-1.92%

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

MAJOR INITIATIVES

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

Economically disadvantaged (ED) students are likelier to be chronically absent than non-economically disadvantaged students. We plan to decrease the number of ED students that are chronically absent. We are working to accomplish this by continuously analyzing attendance data, engaging the community to educate and raise awareness of the positive effects of good attendance, creating an environment that makes students feel like they belong, and professionally developing our teachers on strategies that promote better attendance. According to Attendance Works, analyzing

attendance data helps identify patterns and trends, enabling schools to target interventions. Establishing a collaborative team to explore this data will encourage data-driven decision-making focused on the economically disadvantaged subgroup. This data will also serve as the base of all learning opportunities for our parent and staff stakeholders. The strategies included in our initiatives provide varied opportunities for stakeholders to learn more about absenteeism rates and the positive and negative effects of attendance on student progress.

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

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

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

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

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue

fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Donna DiLapo
School Business Administrator

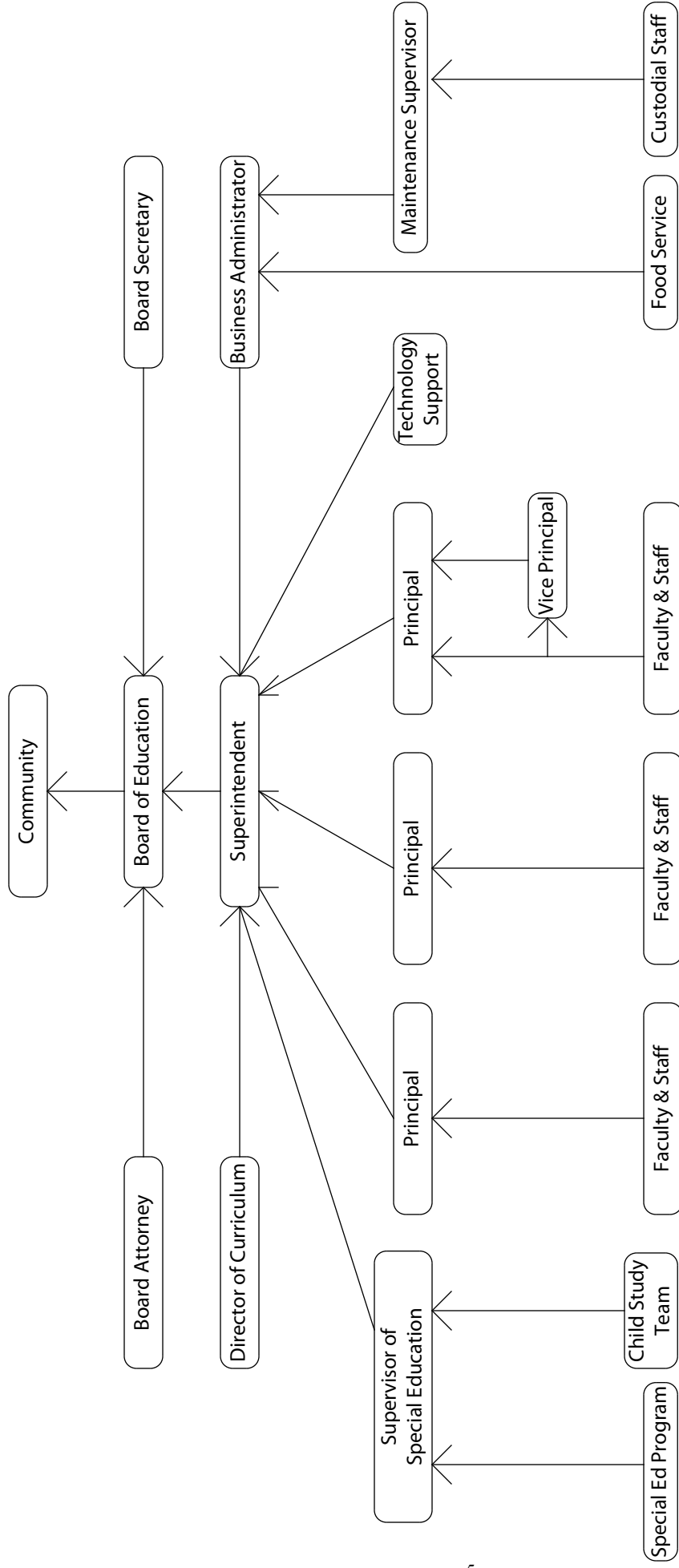


Robert Mungo
Superintendent

MOUNT HOLLY TOWNSHIP PUBLIC SCHOOLS

Organizational Chart

(Unit Control)



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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

ROSTER OF OFFICIALS

JUNE 30, 2024

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Janet DiFolco, President	2024
Jennifer Mushinsky, Vice President	2025
Stephanie Allen	2025
Janene Ciotti	2024
Timothy Collura	2026

OTHER OFFICIALS

Robert Mungo, Superintendent

Ms. Donna DiLapo, Business Administrator/Board Secretary

Jeffrey P. Catalano, Esq., Solicitor

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MOUNT HOLLY SCHOOL DISTRICT

331 Levis Drive
Mount Holly, New Jersey 08060

CONSULTANTS AND ADVISORS

AUDIT FIRM

David T. McNally, CPA, PSA
Holt McNally & Associates, Inc.
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

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FINANCIAL SECTION

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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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 generally accepted auditing standards 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 combining and individual fund statements and long-term debt schedules, as required by the Office of School Finance, Department of Education, State of New Jersey, and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are 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 October 28, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
October 28, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(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, 2024. 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 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*.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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.

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.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2024 compared to fiscal year 2023.

Table 1
Summary of Net Position

	June 30, <u>2024</u>	June 30, <u>2023</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 13,956,132	\$ 12,669,308	\$ 1,286,824	10.2%
Capital Assets, Net	<u>30,180,531</u>	<u>28,968,907</u>	<u>1,211,624</u>	4.2%
Total Assets	<u>44,136,663</u>	<u>41,638,215</u>	<u>2,498,448</u>	6.0%
Deferred Outflow of Resources	<u>404,162</u>	<u>531,884</u>	<u>(127,722)</u>	-24.0%
Current and other Liabilities	1,553,750	1,340,566	213,184	15.9%
Noncurrent Liabilities	<u>8,435,428</u>	<u>8,877,343</u>	<u>(441,915)</u>	-5.0%
Total Liabilities	<u>9,989,178</u>	<u>10,217,909</u>	<u>(228,731)</u>	-2.2%
Deferred Inflow of Resources	<u>204,188</u>	<u>550,099</u>	<u>(345,911)</u>	-62.9%
Net Position:				
Net Investment in Capital Assets	25,275,521	23,740,907	1,534,614	6.5%
Restricted	12,031,456	11,262,581	768,875	6.8%
Unrestricted (Deficit)	<u>(2,959,518)</u>	<u>(3,601,397)</u>	<u>641,879</u>	-17.8%
Total Net Position	<u>\$ 34,347,459</u>	<u>\$ 31,402,091</u>	<u>\$ 2,945,368</u>	9.4%

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)

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

Table 2 shows the changes in net position for fiscal year 2024 compared to fiscal year 2023.

Table 2
Summary of Changes in Net Position

	June 30, <u>2024</u>	June 30, <u>2023</u>	Increase/ (Decrease)	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 79,252	\$ 103,326	\$ (24,074)	-23.3%
Operating Grants & Contributions	9,094,736	7,321,710	1,773,026	24.2%
General Revenues:				
Property Taxes	9,192,115	8,721,484	470,631	5.4%
Federal & State Aid	14,460,033	13,132,573	1,327,460	10.1%
Other General Revenues	1,015,116	649,170	365,946	56.4%
Total Revenues	<u>33,841,252</u>	<u>29,928,263</u>	<u>3,912,989</u>	13.1%
Function/Program Expenditures:				
Regular Instruction	8,818,584	7,182,671	1,635,913	22.8%
Special Education Instruction	3,147,690	2,962,878	184,812	6.2%
Other Instruction	870,291	1,055,510	(185,219)	-17.5%
Tuition	1,276,946	1,354,136	(77,190)	-5.7%
Student & Instruction Related Services	4,357,947	3,795,787	562,160	14.8%
General Administrative	457,686	441,024	16,662	3.8%
School Administrative Services	842,361	812,079	30,282	3.7%
Central Services	595,799	550,427	45,372	8.2%
Plant Operations & Maintenance	2,280,595	2,179,703	100,892	4.6%
Pupil Transportation	658,397	526,779	131,618	25.0%
Unallocated Benefits	4,173,432	4,006,628	166,804	4.2%
On Behalf TPAF Pension and Social				
Security Contributions	1,797,921	1,848,759	(50,838)	-2.7%
Interest & Other Charges	104,279	110,647	(6,368)	-5.8%
Unallocated Depreciation	888,488	931,244	(42,756)	-4.6%
Food Service	625,468	644,609	(19,141)	-3.0%
Total Expenditures	<u>30,895,884</u>	<u>28,402,881</u>	<u>2,493,003</u>	8.8%
Change In Net Position	2,945,368	1,525,382	1,419,986	93.1%
Net Position - Beginning	31,402,091	29,876,709	1,525,382	5.1%
Net Position - Ending	<u>\$ 34,347,459</u>	<u>\$ 31,402,091</u>	<u>\$ 2,945,368</u>	9.4%

Governmental Activities

During the fiscal year 2024, the net position of governmental activities increased by \$2,932,880 or 9%. 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 \$33,797,039, with an unrestricted deficit balance of \$3,325,395. 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 payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

**MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)**

Governmental Activities (continued)

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)	\$ (3,325,395)
Add back: PERS Pension Liability	2,896,501
Less: Deferred Outflows related to pensions	(404,162)
Add back: Deferred Inflows related to pensions	<u>204,188</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (628,868)</u>

Business-type Activities

During the fiscal year 2024, the net position of business-type activities increased by \$12,488 or 8%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$550,420.

General Fund Budgeting Highlights

Final budgeted revenues were \$22,828,248, 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 \$1,564,886.

Final budgeted appropriations were \$28,012,614, which was an increase of \$44,075 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 \$4,751,732.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$13,517,424 at June 30, 2024, an increase of \$1,132,252 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 \$12,345,707, an increase of \$1,086,571 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$932,270 or 8% to \$12,213,236 at June 30, 2024, compared to an increase of \$583,973 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 tuition revenue in the amount of \$345,543 when compared to the prior year.

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund – During the current fiscal year, the fund balance of the School District's special revenue fund decreased by \$1,592 or (26%) to \$6,173 at June 30, 2024, compared to an increase of \$628 in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the special revenue fund is as follows:

- Net activity in the scholarship and student activity accounts.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$155,893, or 123%, to \$126,298 at June 30, 2024, compared to an increase of \$79,342 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 \$150,000 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 increased by \$12,488, or 8%, to \$550,420 at June 30, 2024, compared to a decrease of \$1,357 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:

- Decrease in operating expenses in the amount of \$19,141.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$30,180,531 (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 \$1,211,624. This increase is primarily due to new projects started in the current year. Table 4 shows fiscal 2024 balances compared to 2023 for the Governmental Activities and Business-Type Activities.

Table 4
Summary of Capital Assets - Governmental Activities

	June 30, <u>2024</u>	June 30, <u>2023</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Capital Asset (Net of Depreciation):</u>				
Land	\$ 9,786,500	\$ 9,786,500	\$ -	0.0%
Construction in Progress	1,515,830	-	1,515,830	100.0%
Building and Improvements	17,798,053	18,216,792	(418,739)	-2.3%
Equipment	895,605	807,883	87,722	10.9%
	<u>\$ 29,995,988</u>	<u>\$ 28,811,175</u>	<u>\$ 1,184,813</u>	<u>4.1%</u>
 Depreciation Expense	 <u>\$ 888,488</u>	 <u>\$ 901,944</u>		

MOUNT HOLLY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Continued)

Capital Assets (continued)

Table 4
Summary of Capital Assets - Business-Type Activities

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Equipment	\$ 184,543	\$ 157,732	\$ 26,811	17.0%
	<u>\$ 184,543</u>	<u>\$ 157,732</u>	<u>\$ 26,811</u>	<u>17.0%</u>
Depreciation Expense	<u>\$ 16,321</u>	<u>\$ 13,528</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 \$4,765,000, which is a decrease of \$375,000 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.

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.

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BASIC FINANCIAL STATEMENTS

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Governmental Funds

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A. Government-Wide Financial Statements

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**MOUNT HOLLY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,751,031	\$ 344,545	\$ 4,095,576
Receivables, Net (Note 4)	2,022,320	23,717	2,046,037
Inventory	-	15,534	15,534
Restricted Cash & Cash Equivalents	7,798,985	-	7,798,985
Capital Assets, Net (Note 5)			
Non-depreciable	11,302,330	-	11,302,330
Depreciable	18,693,658	184,543	18,878,201
Total Assets	43,568,324	568,339	44,136,663
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	404,162	-	404,162
Total Deferred Outflow of Resources	404,162	-	404,162
Total Assets and Deferred Outflow of Resources	43,972,486	568,339	44,540,825
LIABILITIES			
Accounts Payable	77,439	-	77,439
Due to Other Governments	637,970	-	637,970
Unearned Revenue	778,491	17,919	796,410
Accrued Interest	41,931	-	41,931
Noncurrent Liabilities (Note 7):			
Due Within One Year	430,812	-	430,812
Due in more than one year	8,004,616	-	8,004,616
Total Liabilities	9,971,259	17,919	9,989,178
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	204,188	-	204,188
Total Deferred Inflow of Resources	204,188	-	204,188
Total Liabilities and Deferred Inflow of Resources	10,175,447	17,919	10,193,366
NET POSITION			
Net Investment in Capital Assets	25,090,978	184,543	25,275,521
Restricted For:			
Capital Projects	6,538,062	-	6,538,062
Debt Service	126,298	-	126,298
Maintenance Reserve	1,019,000	-	1,019,000
New Jersey Unemployment Fund	241,923	-	241,923
Student Activities	6,173	-	6,173
Excess Surplus	4,100,000	-	4,100,000
Unrestricted (Deficit)	(3,325,395)	365,877	(2,959,518)
Total Net Position	\$ 33,797,039	\$ 550,420	\$ 34,347,459

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, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES		OPERATING GRANTS & CONTRIBUTIONS	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES	TOTAL	
Governmental Activities:								
Instruction:								
Regular	\$ 8,818,584	\$ -	\$ -	3,804,051	\$ (5,014,533)	\$ -	\$ (5,014,533)	
Special Education	3,147,690	-	-	-	(3,147,690)	-	(3,147,690)	
Other Instruction	870,291	-	-	-	(870,291)	-	(870,291)	
Support Services & Undistributed Costs:								
Tuition	1,276,946	-	-	-	(1,276,946)	-	(1,276,946)	
Student & Instruction Related Services	4,357,947	-	-	1,944,199	(2,413,748)	-	(2,413,748)	
General Administrative Services	457,686	-	-	-	(457,686)	-	(457,686)	
School Administrative Services	842,361	-	-	-	(842,361)	-	(842,361)	
Central Services	595,799	-	-	-	(595,799)	-	(595,799)	
Plant Operations & Maintenance	2,280,595	-	-	-	(2,280,595)	-	(2,280,595)	
Pupil Transportation	658,397	-	-	-	(658,397)	-	(658,397)	
Unallocated Employee Benefits	3,914,717	-	-	731,971	(3,182,746)	-	(3,182,746)	
On Behalf TPAF Pension and Social Security Contributions	1,797,921	-	-	1,797,921	-	-	-	
Interest & Other Changes in Long-Term Debt	104,279	-	-	-	(104,279)	-	(104,279)	
Unallocated Depreciation & Amortization	888,488	-	-	-	(888,488)	-	(888,488)	
Total Governmental Activities	30,011,701	-	-	8,278,142	(21,733,559)	-	(21,733,559)	
Business-Type Activities:								
Food Service	625,468	79,252	-	557,879	-	11,663	11,663	
Total Business-Type Activities	625,468	79,252	-	557,879	-	11,663	11,663	
Total Primary Government	\$ 30,637,169	\$ 79,252	\$ -	\$ 8,836,021	\$ (21,733,559)	\$ 11,663	\$ (21,721,896)	

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, 2024**

	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	14,460,033	-	14,460,033
Tuition	664,028	-	664,028
Interest Earnings	7,893	6,454	14,347
Gain/(Loss) on Capital Assets	-	(5,629)	(5,629)
Miscellaneous Income	342,370	-	342,370
	<u>24,666,439</u>	<u>825</u>	<u>24,667,264</u>
Total General Revenues, Special Items, Extraordinary Items & Transfers			
Change In Net Position	2,932,880	12,488	2,945,368
Net Position - Beginning	<u>30,864,159</u>	<u>537,932</u>	<u>31,402,091</u>
Net Position - Ending	<u>\$ 33,797,039</u>	<u>\$ 550,420</u>	<u>\$ 34,347,459</u>

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B. Fund Financial Statements

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**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 2,929,782	\$ 404,831	\$ 416,418	\$ 3,751,031
Receivables, Net:				
Other Receivable	514,899	17,996	-	532,895
Due from Other Governments:				
State	610,789	-	-	610,789
Federal	-	878,636	-	878,636
Interfund Receivable	433,327	-	-	433,327
Restricted Cash & Cash Equivalents	7,798,985	-	-	7,798,985
Total Assets	\$ 12,287,782	\$ 1,301,463	\$ 416,418	\$ 14,005,663
LIABILITIES & FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ 143,207	\$ 290,120	\$ 433,327
Accounts Payable	74,069	2,893	-	76,962
Payroll Taxes Payable	477	-	-	477
Due to Other Governments	-	370,699	-	370,699
Unearned Revenue	-	778,491	-	778,491
Total Liabilities	74,546	1,295,290	290,120	1,659,956
Fund Balances:				
Restricted for:				
Excess Surplus	2,000,000	-	-	2,000,000
Capital Reserve Account	6,538,062	-	-	6,538,062
Maintenance Reserve	1,019,000	-	-	1,019,000
Excess Surplus - Designated for Subsequent Year's Expenditures	2,100,000	-	-	2,100,000
New Jersey Unemployment Fund	241,923	-	-	241,923
Student Activities	-	6,173	-	6,173
Assigned to:				
Other Purposes	827,935	-	-	827,935
Debt Service Fund	-	-	126,298	126,298
Unassigned:				
General Fund	(513,684)	-	-	(513,684)
Total Fund Balances	12,213,236	6,173	126,298	12,345,707
Total Liabilities & Fund Balances	\$ 12,287,782	\$ 1,301,463	\$ 416,418	

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 \$43,307,248 and the accumulated depreciation is \$13,311,260.	29,995,988
PERS pension payable is not recorded in the fund financial statements due to the fact that the payable is not due in the current period.	(267,271)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(41,931)
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.	199,974
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 7)	(8,435,428)
Net Position of Governmental Activities	\$ 33,797,039

**MOUNT HOLLY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,724,721	\$ -	\$ 467,394	\$ 9,192,115
Tuition Charges	664,028	-	-	664,028
Interest Earned	2,000	-	5,893	7,893
Miscellaneous	342,370	110,785	-	453,155
Total Local Sources	9,733,119	110,785	473,287	10,317,191
State Sources	19,706,172	1,540,863	-	21,247,035
Federal Sources	52,629	4,096,602	-	4,149,231
Total Revenues	29,491,920	5,748,250	473,287	35,713,457
Expenditures:				
Instruction:				
Regular	5,067,455	3,751,129	-	8,818,584
Special Education	3,147,690	-	-	3,147,690
Other Instruction	870,291	-	-	870,291
Support Services & Undistributed Costs:				
Tuition	1,276,946	-	-	1,276,946
Student & Instruction Related Services	2,413,748	1,944,199	-	4,357,947
General Administrative Services	457,686	-	-	457,686
School Administrative Services	842,361	-	-	842,361
Central Services	595,799	-	-	595,799
Plant Operations & Maintenance	2,374,114	-	-	2,374,114
Pupil Transportation	658,397	-	-	658,397
Unallocated Employee Benefits	8,818,628	-	-	8,818,628
Debt Service:				
Principal	-	-	375,000	375,000
Interest & Other Charges	13,277	-	92,394	105,671
Capital Outlay	2,018,787	54,514	-	2,073,301
Total Expenditures	28,555,179	5,749,842	467,394	34,772,415
Other Financing Sources\ (Uses):				
Financed Purchases (Non-Budgeted)	145,529	-	-	145,529
Transfer (In/Out)	(150,000)	-	150,000	-
Total Other Financing Sources\ (Uses)	(4,471)	-	150,000	145,529
Net Change in Fund Balances	932,270	(1,592)	155,893	1,086,571
Fund Balance - July 1	11,280,966	7,765	(29,595)	11,259,136
Fund Balance - June 30	\$ 12,213,236	\$ 6,173	\$ 126,298	\$ 12,345,707

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, 2024**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,086,571

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	\$ (888,488)	
Capital Outlay	2,073,301	1,184,813

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.	375,000
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Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.	(145,529)
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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.	93,519
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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.	314,155
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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.	1,392
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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	(633,917)	
Prior Year	656,876	22,959

Change in Net Position of Governmental Activities	\$ 2,932,880
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The accompanying Notes to the Financial Statements are an integral part of this statement.

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Proprietary Funds

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**MOUNT HOLLY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <u>FOOD SERVICE FUND</u>
ASSETS	
Current Assets:	
Cash	\$ 344,545
Intergovernmental Accounts Receivables	23,717
Inventories	<u>15,534</u>
Total Current Assets	<u>383,796</u>
Fixed Assets:	
Equipment	450,851
Less: Accumulated Depreciation	<u>(266,308)</u>
Total Fixed Assets	<u>184,543</u>
Total Assets	<u>568,339</u>
LIABILITIES	
Unearned Revenue	<u>17,919</u>
Total Liabilities	<u>17,919</u>
NET POSITION	
Net Investment in Capital Assets	184,543
Unrestricted Net Position	<u>365,877</u>
Total Net Position	<u><u>\$ 550,420</u></u>

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

**MOUNT HOLLY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <u>FOOD</u> SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 50,567
Daily Sales - Non-Reimbursable Programs	23,662
Special Functions	<u>5,023</u>
Total Operating Revenues	<u>79,252</u>
Operating Expenses:	
Cost of Sales- Reimbursable Programs	258,414
Cost of Sales- Non-Reimbursable Programs	6,125
Salaries and Benefits	247,100
Supplies & Materials	45,393
Depreciation	16,321
Management Fee	34,000
Direct Services	<u>18,115</u>
Total Operating Expenses	<u>625,468</u>
Operating Income/(Loss)	<u>(546,216)</u>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	13,340
State School Breakfast Program	1,601
State NJEIE Lunch	8,689
State NJEIE Breakfast	451
Federal Sources:	
National School Lunch Program	354,091
National School Breakfast Program	82,142
Food Distribution Program	53,209
Pandemic EBT Admin	653
Supply Chain Assistance Award	29,944
After School Snack	12,712
LFS Coop Program	1,047
Gain/(Loss) on Adjustment to Capital Assets	(5,629)
Interest Revenue	<u>6,454</u>
Total Nonoperating Revenues/(Expenses)	<u>558,704</u>
Net Income/(Loss)	12,488
Net Position - July 1	<u>537,932</u>
Net Position - June 30	<u><u>\$ 550,420</u></u>

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, 2024**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND <u>FOOD SERVICE FUND</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 85,911
Payments to Employees	(247,100)
Payments to Suppliers	<u>(360,425)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(521,614)</u>
Cash Flows From Noncapital Financing Activities:	
Cash Received from State & Federal Reimbursements	<u>560,092</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>560,092</u>
Cash Flows From Investing Activities:	
Purchase of Capital Equipment	(48,761)
Interest & Dividends	<u>6,454</u>
Net Cash Provided/(Used) by Investing Activities	<u>(42,307)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,829)
Balances - Beginning of Year	<u>348,374</u>
Balances - End of Year	<u><u>\$ 344,545</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (546,216)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	16,321
(Increase)/Decrease in Inventories	1,622
Increase/(Decrease) in Unearned Revenues	<u>6,659</u>
Total Adjustments	<u>24,602</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (521,614)</u></u>

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

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MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2024 of 1,132 students.

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

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

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2024.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

The District reports the following major proprietary funds:

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

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

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

Budgets/Budgetary Control

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2024 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

- spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2024.
- 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 component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

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

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

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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

Statement No. 101, *Compensated Absences*, aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

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 not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)**

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

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Pensions

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2024, the District's bank balance of \$14,583,322 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 14,072,521
Uninsured and Uncollateralized	<u>260,801</u>
	<u><u>\$ 14,333,322</u></u>

Investments

The District had no investments at June 30, 2024.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)**

Note 3. Reserve Accounts (continued)

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

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 5,931,262
Increased by:	
Interest	2,000
Budgeted Contribution	150,000
Deposits approved by Board	<u>3,460,091</u>
	9,543,353
Decreased by:	
Budget Withdrawals	<u>(3,005,291)</u>
Ending Balance, June 30, 2024	<u><u>\$ 6,538,062</u></u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2024 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, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 1,019,481
Increased by:	
Deposits approved by Board	<u>134,519</u>
	1,154,000
Decreased by:	
Budget Withdrawals	<u>(135,000)</u>
Ending Balance, June 30, 2024	<u><u>\$ 1,019,000</u></u>

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

Note 4. Accounts Receivable

Accounts receivable at June 30, 2024 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District's individual major, in the aggregate, are as follows:

Description	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 878,636	\$ 878,636	\$ 22,520	\$ 22,520
State Awards	610,789	-	610,789	1,197	1,197
Other	514,899	17,996	532,895	-	-
Total	<u>\$ 1,125,688</u>	<u>\$ 896,632</u>	<u>\$ 2,022,320</u>	<u>\$ 23,717</u>	<u>\$ 23,717</u>

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance <u>June 30, 2024</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 9,786,500	\$ -	\$ -	\$ 9,786,500
Construction in Progress	-	1,515,830	-	1,515,830
Total Capital Assets not being depreciated	<u>9,786,500</u>	<u>1,515,830</u>	<u>-</u>	<u>11,302,330</u>
Capital Assets being depreciated:				
Building Improvements	27,532,486	311,232	(17,431)	27,826,287
Equipment	3,935,660	246,240	(3,269)	4,178,631
Total Capital Assets being depreciated	<u>31,468,146</u>	<u>557,472</u>	<u>(20,700)</u>	<u>32,004,918</u>
Less: Accumulated Depreciation:				
Building Improvements	(9,315,694)	(712,539)	(1)	(10,028,234)
Equipment	(3,127,777)	(175,949)	20,700	(3,283,026)
Total Accumulated Depreciation	<u>(12,443,471)</u>	<u>(888,488)</u>	<u>20,699</u>	<u>(13,311,260)</u>
Total Capital Assets being depreciated, net	<u>19,024,675</u>	<u>(331,016)</u>	<u>(1)</u>	<u>18,693,658</u>
Total Governmental Activities Capital Assets, net	<u>\$ 28,811,175</u>	<u>\$ 1,184,814</u>	<u>\$ (1)</u>	<u>\$ 29,995,988</u>

MOUNT HOLLY SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2023</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2024</u>
Business-Type Activities:				
Equipment	\$ 412,479	\$ 48,761	\$ (10,389)	\$ 450,851
	<u>412,479</u>	<u>48,761</u>	<u>(10,389)</u>	<u>450,851</u>
 Less: Accumulated Depreciation:				
Equipment	(254,747)	(16,321)	4,760	(266,308)
	<u>(254,747)</u>	<u>(16,321)</u>	<u>4,760</u>	<u>(266,308)</u>
 Total Business-Type Activities Capital Assets, net	\$ 157,732	\$ 32,440	\$ (5,629)	\$ 184,543

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

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2024 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 433,327	\$ -
Special Revenue Fund	-	143,207
Debt Service Fund	<u>-</u>	<u>290,120</u>
	<u>\$ 433,327</u>	<u>\$ 433,327</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	\$ -	\$ 150,000
Debt Service Fund	<u>150,000</u>	<u>-</u>
	<u>\$ 150,000</u>	<u>\$ 150,000</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2024 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2024</u>	Balance Due <u>Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 5,140,000	\$ -	\$ 375,000	\$ 4,765,000	\$ 380,000
Financed Purchases	88,000	145,529	93,519	140,010	50,812
Compensated Absences	656,876	-	22,959	633,917	-
Net Pension Liability	2,992,467	-	95,966	2,896,501	-
	<u>\$ 8,877,343</u>	<u>\$ 145,529</u>	<u>\$ 587,444</u>	<u>\$ 8,435,428</u>	<u>\$ 430,812</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.

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, 2024 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 380,000	\$ 91,362	\$ 471,362
2026	385,000	88,133	473,133
2027	395,000	83,513	478,513
2028	410,000	77,982	487,982
2029	430,000	71,218	501,218
2030-2034	2,295,000	211,095	2,506,095
2035-2039	470,000	11,985	481,985
	<u>\$ 4,765,000</u>	<u>\$ 635,288</u>	<u>\$ 5,400,288</u>

Financed Purchases

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 7. Long-Term Obligations (continued)

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, 2024:

Fiscal Year Ending <u>June 30,</u>	
2025	\$ 55,864
2026	33,638
2027	33,638
2028	<u>28,031</u>
Total Minimum Financed Purchase Payments	151,171
Less: Amount Representing Interest	<u>(11,161)</u>
Present Value of Minimum Financed Purchase Payments	<u>\$ 140,010</u>

At June 30, 2024 the minimum financed purchase payments due within one year is \$50,812.

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

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 an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2024, the School District reported a liability of \$2,896,501 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023. The School District's proportion measured as of June 30, 2023, was 0.01999%, which was an increase of 0.0001% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized full accrual pension expense/(benefit) of \$(46,881) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2023 measurement date. At June 30, 2024 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, 2024 (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	\$ 27,694	\$ 11,840
Changes of Assumptions	6,363	175,540
Net Difference between Projected and Actual Earnings on Pension Plan Investments	13,339	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	89,495	16,808
School District Contributions Subsequent to Measurement Date	<u>267,271</u>	<u>-</u>
	<u>\$ 404,162</u>	<u>\$ 204,188</u>

\$267,721 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, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	<u>Amount</u>
2025	\$ (55,294)
2026	(28,170)
2027	(13,738)
2028	29,972
2029	<u>(67)</u>
	<u>\$ (67,297)</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-
Changes in Proportion and Differences between Contributions and		
Pro Year of Pension Plan Deferral:		
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 3,802,418</u>	<u>\$ 2,896,501</u>	<u>\$ 2,170,651</u>

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2024</u>	<u>6/30/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
District's portion of the Plan's total Net Pension Liability	0.019997%	0.019829%

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

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2024. The State's proportionate share of the contribution associated with the special funding situation was \$9,033 as of June 30, 2024. These are based on measurements as of June 30, 2023.

B. Teachers' Pension and Annuity Fund (TPAF)

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$3,459,206. The School District's proportionate share was \$-0-.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.08302%, which was an increase of 0.00342% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the School District recognized \$1,040,863 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2023 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25% 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 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%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability,

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 8. Pension Plans (continued)

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

attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (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	49,959,778	42,368,185	35,974,259
	<u>\$ 49,959,778</u>	<u>\$ 42,368,185</u>	<u>\$ 35,974,259</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2024</u>	<u>6/30/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 2,502,380,838	\$ 5,004,259,312
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
District's portion of the Plan's total Net Pension Liability	0.08302%	0.07959%

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability: \$ 52,361,668,239

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

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

Actuarial assumptions used in the July 1, 2022 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, 2023 was \$46,549,944. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the State proportionate share of the OPEB Obligation attributable to the School District was 0.08890%, which was a decrease of 0.001036% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB expense in the amount of \$730,164 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, 2023 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% 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%.

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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, 2023, 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, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 54,571,818	\$ 46,549,944	\$ 40,109,311
State of New Jersey's Total Non- employer Liability	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835

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, 2023		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 38,643,630	\$ 46,549,944	\$ 56,895,376
State of New Jersey's Total Nonemployer OPEB Liability	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320

* See Healthcare Cost Trend Assumptions for details of rates.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	7,639,717,639	(13,791,541,217)
Contributions Made in Fiscal Year Year Ending 6/30/2024 After Measurement Date	7,445,895,322	(14,449,948,556)
	TBD	-
	<u>\$ 15,085,612,961</u>	<u>\$ (28,241,489,773)</u>

** Employer Contributions made after June 30, 2023 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	(4,052,000,302)
	<u>\$ (13,155,876,812)</u>

Plan Membership

At June 30, 2022, the Program membership consisted of the following:

	June 30, 2022
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
	<u>369,595</u>

MOUNT HOLLY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024 (continued)

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

Total OPEB Liability

Service Cost	\$ 2,136,235,476
Interest Cost	1,844,113,951
Difference Between Expected & Actual Experience	(980,424,863)
Changes of Assumptions	105,539,463
Contributions: Member	47,258,104
Gross Benefit Payments	<u>(1,437,516,858)</u>
Net Change in Total OPEB Liability	1,715,205,273
Total OPEB Liability (Beginning)	<u>50,646,462,966</u>
Total OPEB Liability (Ending)	<u>\$ 52,361,668,239</u>
Total Covered Employee Payroll	\$ 15,314,749,297
Net OPEB Liability as a Percentage of Payroll	342%

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, 2024, the on-behalf payments for normal costs, post-retirement medical costs, non-contributory insurance and reimbursed social security contributions were \$3,568,648, \$971,255, \$1,807 and \$757,058 respectively.

Note 11. Risk Management

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

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 11. Risk Management (continued)

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ 37,483	\$ 3,647	\$ 32,875	\$ 241,923
2022-2023	42,182	2,199	16,295	233,668
2021-2022	10,131	317	-	205,582

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

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, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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

Note 13. Deferred Compensation

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

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 14. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2024, the liability for compensated absences reported on the government-wide Statement of Net Position was \$633,917.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the District is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the District's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the District.

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 was \$2,000,000.

Note 17. Fund Balances

General Fund – Of the \$12,213,236 General Fund balance at June 30, 2024, \$6,538,062 has been restricted for the Capital Reserve Account; \$1,019,000 has been restricted for the Maintenance Reserve Account; \$241,923 has been restricted for the Unemployment Reserve Account; \$2,000,000 has been restricted for current year excess surplus; \$2,100,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$827,936 has been assigned to other purposes; and \$(513,684) has been unassigned.

MOUNT HOLLY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 (continued)

Note 17. Fund Balances (continued)

Special Revenue Fund – Of the \$6,173 Special Revenue Fund balance at June 30, 2024, \$6,173 is restricted for future student activities.

Debt Service Fund – Of the \$126,298 Debt Service Fund balance at June 30, 2024, \$126,298 is restricted for future debt service payments.

Note 18. Deficit Fund Balances

The District has a deficit fund balance of \$(513,684) in the General Fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(513,684) which is less than the last state aid payment.

Note 19. Deficit in Net Position

Unrestricted Net Position – The District's governmental activities had a deficit in unrestricted net position in the amount of \$(3,325,395). 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, 2024. 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, 2024 and October 28, 2024, 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

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C. Budgetary Comparison Schedules

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**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 8,724,721	\$ -	\$ 8,724,721	\$ 8,724,721	\$ -
Interest on Capital Reserve	10-1XXX	2,000	-	2,000	2,000	-
Tuition from LEAs Within State	10-1320	-	-	-	664,028	664,028
Unrestricted Miscellaneous	10-1990	15,000	-	15,000	342,370	327,370
Total Local Sources		8,741,721	-	8,741,721	9,733,119	991,398
State Sources:						
Categorical Transportation Aid	10-3121	127,355	-	127,355	127,355	-
Extraordinary Aid	10-3131	12,500	-	12,500	322,586	310,086
Categorical Special Education Aid	10-3132	755,237	-	755,237	755,237	-
Equalization Aid	10-3176	11,787,197	-	11,787,197	11,787,197	-
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	-	-	-	18,200	18,200
Homeless Tuition Aid	10-XXXX	-	-	-	233,031	233,031
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contribution	10-3191	-	-	-	971,255	971,255
On-Behalf TPAF Pension Contributions	10-3193	-	-	-	3,568,648	3,568,648
On-Behalf TPAF Long-Term Disability Insurance	10-3194	-	-	-	1,807	1,807
Reimbursed TPAF Social Security Contributions	10-3192	-	-	-	757,058	757,058
Total State Sources		14,046,069	-	14,046,069	19,906,154	5,860,085
Federal Sources:						
Medicaid Reimbursement	10-4210	40,458	-	40,458	52,629	12,171
Total Federal Services		40,458	-	40,458	52,629	12,171
Total Revenues		22,828,248	-	22,828,248	29,691,902	6,863,654
Expenditures:						
Instruction:						
Instruction - Regular Programs:						
Local Contribution:						
Transportation to Special Revenue - Inclusion	11-105-100-936	87,084	-	87,084	87,084	-
Salaries of Teachers:						
Kindergarten	11-110-110-101	507,719	-	507,719	507,719	-
Grades 1 - 5	11-120-100-101	2,367,205	(18,510)	2,348,695	2,256,200	92,495
Grades 6 - 8	11-130-100-101	1,526,685	(160,853)	1,365,832	1,353,600	12,232
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	28,200	12,796	40,996	40,919	77
Purchased Professional & Educational Services	11-150-100-320	17,000	15,835	32,835	13,806	19,029
Regular Programs - Undistributed:						
Other Salaries for Instruction	11-190-100-106	126,034	-	126,034	93,392	32,642
Purchased Professional & Educational Services	11-190-100-320	376,589	130,081	506,670	468,206	38,464
Purchased Technical Services	11-190-100-340	41,829	(28,554)	13,275	13,275	-
Other Purchased Services	11-190-100-500	147,388	(24,198)	123,190	118,927	4,263
General Supplies	11-190-100-610	206,790	(81,146)	125,644	114,327	11,317
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	92,000	(92,000)	-	-	-
Tuition Reimbursement	11-1xx-100-280	29,000	(29,000)	-	-	-
Total Instruction - Regular Programs		5,554,173	(276,049)	5,278,124	5,067,455	210,669

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	525,494	1,176	526,670	490,281	36,389
Other Salaries for Instruction	11-212-100-106	273,872	(6,195)	267,677	169,384	98,293
Purchased Professional & Educational Services	11-212-100-320	634,243	(8,252)	625,991	459,668	166,323
General Supplies	11-212-100-610	33,150	(22,687)	10,463	9,834	629
Total Multiple Disabilities		1,466,759	(35,958)	1,430,801	1,129,167	301,634
Resource Room/Center:						
Salaries of Teachers	11-213-100-101	1,677,938	89,629	1,767,567	1,702,627	64,940
Other Salaries for Instruction	11-213-100-106	23,617	46,452	70,069	69,846	223
Purchased Professional & Educational Services	11-213-100-320	55,000	(10,039)	44,961	36,590	8,371
General Supplies	11-213-100-610	7,550	(5,889)	1,661	1,539	122
Textbooks	11-213-100-640	500	(500)	-	-	-
Total Resource Room/Center		1,764,605	119,653	1,884,258	1,810,602	73,656
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	113,398	-	113,398	113,398	-
Other Salaries for Instruction	11-216-100-106	51,964	-	51,964	9,072	42,892
Purchased Professional & Educational Services	11-216-100-320	52,500	35,522	88,022	85,251	2,771
General Supplies	11-216-100-600	1,750	(1,550)	200	200	-
Total Preschool Disabilities - Full Time		219,612	33,972	253,584	207,921	45,663
Employee Benefits - Special Education:						
Health Benefits	11-2xx-100-270	235,000	(235,000)	-	-	-
Tuition Reimbursement	11-2xx-100-280	13,000	(13,000)	-	-	-
Total Employee Benefits - Special Education		248,000	(248,000)	-	-	-
Total Special Education		3,698,976	(130,333)	3,568,643	3,147,690	420,953
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	337,455	(8,449)	329,006	175,843	153,163
Purchased Professional & Educational Services	11-230-100-320	3,000	(3,000)	-	-	-
General Supplies	11-230-100-600	5,800	(5,800)	-	-	-
Total Basic Skills/Remedial		346,255	(17,249)	329,006	175,843	153,163

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Bilingual Education:						
Salaries of Teachers	11-240-100-101	155,278	-	155,278	150,796	4,482
Other Salaries for Instruction	11-240-100-106	5,000	-	5,000	-	5,000
Purchased Professional & Educational Services	11-240-100-320	4,500	(1,231)	3,269	191	3,078
Other Purchased Services	11-240-100-500	-	38	38	-	38
General Supplies	11-240-100-610	7,900	(3,838)	4,062	719	3,343
Total Bilingual Education		172,678	(5,031)	167,647	151,706	15,941
School Sponsored Cocurricular Activities:						
Salaries of Teachers	11-401-100-100	171,148	8,793	179,941	112,229	67,712
Purchased Services	11-401-100-500	13,050	3,826	16,876	10,547	6,329
Supplies and Materials	11-401-100-600	17,440	(11,729)	5,711	3,300	2,411
Other Objects	11-401-100-800	9,785	(250)	9,535	9,484	51
Total School Sponsored Cocurricular Activities		211,423	640	212,063	135,560	76,503
School Sponsored Athletics:						
Salaries of Teachers	11-402-100-100	30,574	1,250	31,824	31,810	14
Supplies and Materials	11-402-100-600	-	158	158	158	-
Total School Sponsored Athletics		30,574	1,408	31,982	31,968	14
Other Instructional Programs:						
Salaries of Teachers	11-403-100-100	-	32,074	32,074	32,074	-
Supplies and Materials	11-403-100-600	-	1,250	1,250	-	1,250
Total Other Instructional Programs		-	33,324	33,324	32,074	1,250
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)	-	-	-
Total Other Supplement/At-Risk		21,275	(21,275)	-	-	-
Other Alternative Education Programs						
Other Salaries of Instruction	11-425-100-106	-	17,221	17,221	17,221	-
Total Other Alternative Education Programs		-	17,221	17,221	17,221	-
Other Instructional Programs - Instruction:						
Salaries	11-4XX-100-100	32,075	(32,075)	-	-	-
Supplies and Materials	11-4XX-100-600	1,250	(1,250)	-	-	-
Total Other Instructional Programs - Instruction		33,325	(33,325)	-	-	-

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	112,430	31,279	143,709	46,084	97,625
Tuition to Other LEA's - Within State Special	11-000-100-562	-	44,900	44,900	44,900	-
Tuition to County Special Services & Regular Day Schools	11-000-100-565	1,184,776	(191,812)	992,964	558,690	434,274
Tuition to Private Schools - Handicapped Within State	11-000-100-566	982,159	(23,027)	959,132	597,392	361,740
Tuition - Other	11-000-100-569	132,395	(102,515)	29,880	29,880	-
Total Tuition		2,411,760	(241,175)	2,170,585	1,276,946	893,639
Attendance & Social Work Services:						
Salaries	11-000-211-100	66,358	-	66,358	63,608	2,750
Salaries of Community/School Coordinators	11-000-211-174	154,253	-	154,253	96,729	57,524
Purchased Professional & Technical Services	11-000-211-300	35,294	(24,294)	11,000	4,613	6,387
Other Purchased Services	11-000-211-500	7,500	(6,622)	878	508	370
Supplies and Material	11-000-211-600	4,650	(4,650)	-	-	-
Other Objects	11-000-211-800	1,095	-	1,095	1,095	-
Total Attendance & Social Work Services		269,150	(35,566)	233,584	166,553	67,031
Health Services:						
Salaries	11-000-213-100	285,895	13,313	299,208	291,076	8,132
Purchased Professional & Technical Services	11-000-213-300	17,250	(4,345)	12,905	11,644	1,261
Other Purchased Services	11-000-213-500	1,275	(1,087)	188	-	188
Supplies and Materials	11-000-213-600	11,657	(4,711)	6,946	6,919	27
Other Objects	11-000-213-800	450	-	450	445	5
Total Health Services		316,527	3,170	319,697	310,084	9,613
Speech, OT, PT, Related & Extraordinary Services:						
Salaries	11-000-216-100	213,677	500	214,177	214,177	-
Purchased Professional & Educational Services	11-000-216-320	179,359	(30,382)	148,977	141,980	6,997
Travel	11-000-216-580	-	2,759	2,759	2,509	250
Supplies and Materials	11-000-216-600	15,430	(4,545)	10,885	9,926	959
Other Objects	11-000-216-800	450	(450)	-	-	-
Total Speech, OT, PT, Related & Extraordinary Services:		408,916	(32,118)	376,798	368,592	8,206
Other Support Services- Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	148,500	232,276	380,776	325,919	54,857
Total Other Support Services:		148,500	232,276	380,776	325,919	54,857
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	400,535	-	400,535	388,281	12,254
Purchased Professional- Education Services	11-000-218-320	-	1,300	1,300	1,283	17
Supplies and Materials	11-000-218-600	4,726	(3,885)	841	265	576
Total Guidance		405,261	(2,585)	402,676	389,829	12,847

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	511,055	42,612	553,667	490,994	62,673
Salaries of Secretarial & Clerical Assistants	11-000-219-105	72,694	-	72,694	69,743	2,951
Purchased Professional & Educational Services	11-000-219-320	109,700	(25,254)	84,446	53,393	31,053
Other Purchased Services	11-000-219-500	21,046	(8,760)	12,286	10,513	1,773
Supplies and Materials	11-000-219-600	14,000	(6,257)	7,743	7,569	174
Other Objects	11-000-219-800	3,450	(2,231)	1,219	860	359
Total Child Study Teams		731,945	110	732,055	633,072	98,983
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	58,414	101,674	160,088	159,414	674
Salaries of Other Professional Staff	11-000-221-104	60,000	(21,000)	39,000	13,440	25,560
Salaries of Secretarial & Clerical Assistants	11-000-221-105	22,981	-	22,981	22,981	-
Purchased Professional & Educational Services	11-000-221-320	4,080	(255)	3,825	3,825	-
Other Purchased Services	11-000-221-500	4,807	22	4,829	3,067	1,762
Supplies and Materials	11-000-221-600	5,300	(195)	5,105	4,970	135
Other Objects	11-000-221-800	1,413	-	1,413	1,275	138
Total Improvement of Instructional Services		156,995	80,246	237,241	208,972	28,269
Educational Media Services - School Library:						
Salaries	11-000-222-100	201,760	-	201,760	136,843	64,917
Other Purchased Professional & Technical Services	11-000-222-300	5,500	-	5,500	5,457	43
Other Purchased Services	11-000-222-500	-	49	49	49	-
Supplies and Materials	11-000-222-600	13,752	(538)	13,214	7,102	6,112
Other Objects	11-000-222-800	210	-	210	-	210
Total Educational Media Services - School Library		221,222	(489)	220,733	149,451	71,282
Instructional Staff Training Services:						
Salaries of Supervisor of Instruction	11-000-223-102	58,414	-	58,414	58,414	-
Salaries of Secretarial & Clerical Assistants	11-000-223-105	22,981	126	23,107	23,107	-
Purchased Professional & Educational Services	11-000-223-320	27,000	(27,000)	-	-	-
Other Purchased Prof and Tech Services	11-000-223-390	190,000	(88,126)	101,874	100,296	1,578
Other Purchased Services	11-000-223-500	9,000	-	9,000	3,358	5,642
Supplies and Materials	11-000-223-600	9,000	(6,980)	2,020	2,020	-
Other Objects	11-000-223-800	90	-	90	-	90
Total Instructional Staff Training Services		316,485	(121,980)	194,505	187,195	7,310

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
General Administration:						
Salaries	11-000-230-100	249,853	(19,973)	229,880	228,753	1,127
Legal Services	11-000-230-331	62,000	37,000	99,000	93,990	5,010
Audit Services	11-000-230-332	30,000	7,780	37,780	37,780	-
Architectural/Engineering Services	11-000-230-334	15,000	(7,280)	7,720	-	7,720
Other Purchased Professional Services	11-000-230-339	8,000	(6,650)	1,350	1,350	-
Purchased Technical Services	11-000-230-340	10,000	(4,590)	5,410	-	5,410
Communications/Telephone	11-000-230-530	93,700	-	93,700	50,165	43,535
Travel	11-000-230-580	-	7,263	7,263	2,195	5,068
BOE Other Purchased Services	11-000-230-585	9,800	(4,118)	5,682	5,339	343
Other Purchased Services	11-000-230-590	25,200	(10,668)	14,532	13,960	572
Supplies & Materials	11-000-230-610	9,750	(2,850)	6,900	6,053	847
BOE In-House Training/Supplies	11-000-230-630	1,650	543	2,193	1,670	523
Judgments Against District	11-000-230-820	-	3,457	3,457	3,457	-
Miscellaneous Expenditures	11-000-230-890	3,700	(522)	3,178	3,088	90
BOE Membership Dues & Fees	11-000-230-895	10,445	(559)	9,886	9,886	-
Total General Administration		529,098	(1,167)	527,931	457,686	70,245
School Administration:						
Salaries of Principals/Assistants Principals	11-000-240-103	465,138	32,560	497,698	492,110	5,588
Salaries of Secretarial & Clerical Assistants	11-000-240-105	331,756	(4,712)	327,044	304,255	22,789
Purchased Professional & Technical Services	11-000-240-300	7,500	23,160	30,660	29,211	1,449
Other Purchased Services	11-000-240-500	8,150	(1,000)	7,150	2,627	4,523
Supplies & Materials	11-000-240-600	29,900	(18,942)	10,958	10,308	650
Other Objects	11-000-240-800	4,300	-	4,300	3,850	450
Total School Administration		846,744	31,066	877,810	842,361	35,449
Central Services:						
Salaries	11-000-251-100	335,687	23,577	359,264	349,624	9,640
Purchased Professional Services	11-000-251-330	15,800	28,565	44,365	16,473	27,892
Miscellaneous Purchased Services	11-000-251-592	10,515	(3,119)	7,396	6,410	986
Supplies & Materials	11-000-251-600	10,230	1,030	11,260	9,118	2,142
Miscellaneous Expenditures	11-000-251-890	3,600	(150)	3,450	1,475	1,975
Total Central Services		375,832	49,903	425,735	383,100	42,635

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Admin Info Technology:						
Salaries	11-000-252-100	95,744	12,402	108,146	99,749	8,397
Purchased Technical Services	11-000-252-340	113,176	(7,671)	105,505	102,523	2,982
Supplies & Materials	11-000-252-600	30,775	(20,348)	10,427	10,427	-
Total Admin Info Technology		239,695	(15,617)	224,078	212,699	11,379
Operation & Maintenance of Plant Services:						
Regular Maintenance School Facilities:						
Cleaning, Repairs & Maintenance Services	11-000-261-420	124,650	104,919	229,569	185,016	44,553
General Supplies	11-000-261-610	98,975	(30,877)	68,098	59,977	8,121
Other Objects	11-000-261-800	6,175	(3,871)	2,304	1,864	440
Total Regular Maintenance School Facilities		229,800	70,171	299,971	246,857	53,114
Custodial Services:						
Salaries	11-000-262-100	1,045,068	-	1,045,068	1,000,390	44,678
Salaries of Non-Instructional Aides	11-000-262-107	164,885	-	164,885	120,469	44,416
Health Benefits	11-000-262-270	270,000	(270,000)	-	-	-
Purchased Professional & Technical Services	11-000-262-300	32,800	(4,350)	28,450	26,201	2,249
Cleaning, Repair & Maintenance Services	11-000-262-420	64,700	(3,010)	61,690	59,016	2,674
Rental of Land & Buildings	11-000-262-441	3,550	(3,550)	-	-	-
Other Purchased Property Services	11-000-262-490	57,000	-	57,000	44,779	12,221
Insurance	11-000-262-520	117,200	86	117,286	117,286	-
Travel	11-000-262-580	-	2,482	2,482	1,882	600
Miscellaneous Purchased Services	11-000-262-590	2,900	(2,900)	-	-	-
General Supplies	11-000-262-610	92,115	839	92,954	89,820	3,134
Energy (Natural Gas)	11-000-262-621	142,500	-	142,500	116,466	26,034
Energy (Electricity)	11-000-262-622	455,000	-	455,000	394,527	60,473
Total Custodial Services		2,447,718	(280,403)	2,167,315	1,970,836	196,479
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Service	11-000-263-420	26,500	(2,636)	23,864	23,768	96
General Supplies	11-000-263-610	33,200	(19,875)	13,325	10,473	2,852
Total Care & Upkeep of Grounds		59,700	(22,511)	37,189	34,241	2,948
Security:						
Purchased Professional & Technical Services	11-000-266-300	103,200	(8,070)	95,130	89,950	5,180
Cleaning, Repair & Maintenance Service	11-000-266-420	31,500	656	32,156	29,889	2,267
General Supplies	11-000-266-610	2,600	(724)	1,876	784	1,092
Other Objects	11-000-266-800	895	662	1,557	1,557	-
Total Security		138,195	(7,476)	130,719	122,180	8,539
Total Operation & Maintenance of Plant Services		2,875,413	(240,219)	2,635,194	2,374,114	261,080

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	22,000	-	22,000	22,000	-
Contracted Services (Aid in Lieu- Non Public)	11-000-270-503	40,000	9,973	49,973	49,973	-
Contracted Services (Between Home & School) - Vendors	11-000-270-511	-	83,810	83,810	83,810	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	35,925	(10,130)	25,795	18,573	7,222
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	15,000	(3,266)	11,734	11,734	-
Contracted Services (Regular Students) - ESCs & CTSA	11-000-270-517	-	18,229	18,229	18,229	-
Contracted Services (Special Education Students) - ESCs & CTSA	11-000-270-518	385,000	69,078	454,078	454,078	-
Total Student Transportation Services		497,925	167,694	665,619	658,397	7,222
Personal Services - Employee Benefits:						
Social Security Contributions	11-000-291-220	297,000	6,007	303,007	233,285	69,722
Other Retirement Contributions - PERS	11-000-291-241	300,000	-	300,000	267,271	32,729
Regular	11-000-291-249	36,000	-	36,000	17,418	18,582
Unemployment Benefits	11-000-291-250	35,000	(13,044)	21,956	21,956	-
Workman's Compensation	11-000-291-260	173,000	-	173,000	158,944	14,056
Health Benefits	11-000-291-270	2,568,524	566,232	3,134,756	2,598,246	536,510
Tuition Reimbursement	11-000-291-280	20,000	46,994	66,994	47,242	19,752
Other Employee Benefits	11-000-291-290	308,300	(4,994)	303,306	175,498	127,808
Total Personal Services - Employee Benefits		3,737,824	601,195	4,339,019	3,519,860	819,159
Nonbudgeted:						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	971,255	(971,255)
On-Behalf TPAF Pension Contributions		-	-	-	3,568,648	(3,568,648)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,807	(1,807)
Reimbursed TPAF Social Security Contributions		-	-	-	757,058	(757,058)
Total Nonbudgeted		-	-	-	5,298,768	(5,298,768)
Total Undistributed Expenditures		14,489,292	474,744	14,964,036	17,763,598	(2,799,562)
Total Expenditures - Current Expense		24,562,971	44,075	24,607,046	26,523,115	(1,916,069)
Capital Outlay:						
Increase to Capital Reserve	10-604	152,000	-	152,000	-	152,000
Equipment:						
Regular Programs - Instruction: Grades 6 - 8	12-130-100-730	100,000	-	100,000	3,415	96,585
Administration Info Tech	12-000-252-730	-	4,615	4,615	4,145	470
Maintenance Services	12-000-261-730	135,000	(4,615)	130,385	76,613	53,772
Total Equipment		235,000	-	235,000	84,173	150,827

**MOUNT HOLLY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	535,291	(53,646)	481,645	202,976	278,669
Construction Services	12-000-400-450	2,310,000	63,646	2,373,646	1,586,109	787,537
Supplies & Materials	12-000-400-600	10,000	(10,000)	-	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	13,277	-	13,277	13,277	-
Total Acquisition & Construction Services		2,868,568	-	2,868,568	1,802,362	1,066,206
Assets Acquired Under Financed Purchases (Nonbudgeted:)		-	-	-	145,529	(145,529)
Total Assets Acquired Under Financed Purchases (Nonbudgeted)		-	-	-	145,529	(145,529)
Total Capital Outlay		3,255,568	-	3,255,568	2,032,064	1,223,504
Total Expenditures		27,818,539	44,075	27,862,614	28,555,179	(692,565)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(4,990,291)	(44,075)	(5,034,366)	1,136,723	6,171,089
Other Financing Sources/(Uses):						
Financed Purchases (Nonbudgeted)		-	-	-	145,529	145,529
Transfer to Debt Service		(150,000)	-	(150,000)	(150,000)	-
Sources Over/(Under) Expenditures & Other Financing Uses		(5,140,291)	(44,075)	(5,184,366)	1,132,252	6,316,618
Fund Balances, July 1		12,385,172	-	12,385,172	12,385,172	-
Fund Balances, June 30		\$ 7,244,881	\$ (44,075)	\$ 7,200,806	\$ 13,517,424	\$ 6,316,618

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 44,075
Total Budget Transfers	\$ 44,075

RECAPITULATION

Restricted Fund Balance:	
Reserve for Excess Surplus	\$ 2,000,000
Maintenance Reserve	1,019,000
Capital Reserve Account	6,538,062
Reserve for New Jersey Unemployment Fund	241,923
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	2,100,000
Assigned Fund Balance:	
Year-End Encumbrances	827,935
Unassigned Fund Balance	<u>790,504</u>
Subtotal	13,517,424
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(1,304,188)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 12,213,236</u>

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

REVENUES:	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ 87,084	\$ -	\$ 87,084	\$ 110,785	\$ 23,701
State Sources	1,911,730	26,334	1,938,064	1,519,571	(418,493)
Federal Sources	1,718,157	4,202,834	5,920,991	4,096,602	(1,824,389)
Total - Revenues	3,716,971	4,229,168	7,946,139	5,726,958	(2,219,181)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,017,692	248,635	1,266,327	1,179,035	87,292
Salaries of Aides	230,333	4,249	234,582	198,874	35,708
Professional Education Services	116,375	1,074,098	1,190,473	864,500	325,973
Other Purchased Services	-	400	400	375	25
General Supplies	135,065	755,354	890,419	523,805	366,614
Textbooks	-	7,862	7,862	7,847	15
Tuition	440,401	508,780	949,181	949,180	1
Other Objects	5,000	4,285	9,285	6,221	3,064
Total Instruction	1,944,866	2,603,663	4,548,529	3,729,837	818,692
Support Services:					
Other Salaries	136,096	47,266	183,362	131,121	52,241
Salaries of Community Parent Involvement	127,937	1,175	129,112	129,112	-
Salaries of Master Teachers	90,004	-	90,004	90,004	-
Purchased Technical Services	24,166	74,367	98,533	85,925	12,608
Purchased Educational Services Purchased	35,000	550,623	585,623	268,622	317,001
Educational Services- Head Start Other	270,420	-	270,420	191,805	78,615
Employee Benefits	810,149	(49,691)	760,458	718,396	42,062
Other Purchased Services	11,492	333,615	345,107	254,843	90,264
Travel	16,841	2,680	19,521	16,626	2,895
Supplies & Materials	-	465,548	465,548	50,652	414,896
Student Activities	-	12,285	12,285	7,093	5,192
Total Support Services	1,522,105	1,437,868	2,959,973	1,944,199	1,015,774
Facilities Acquisition & Construction Services:					
Facility Improvements	-	227,637	227,637	27,503	200,134
Non-instructional Equipment	250,000	(40,000)	210,000	27,011	182,989
Total Facilities Acquisition & Construction Services	250,000	187,637	437,637	54,514	383,123
Total Expenditures	3,716,971	4,229,168	7,946,139	5,728,550	2,217,589
Total Outflows	3,716,971	4,229,168	7,946,139	5,728,550	2,217,589
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ (1,592)	\$ (1,592)
Fund Balance, July 1				\$ 7,765	
Fund Balance, June 30				\$ 6,173	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MOUNT HOLLY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**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)	\$ 29,691,902	\$ 5,726,958
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	21,292
Current Year	-	-
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,104,206	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,304,188)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 29,491,920</u>	<u>\$ 5,748,250</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 28,555,179	\$ 5,728,550
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	21,292
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	<u>\$ 28,555,179</u>	<u>\$ 5,749,842</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Measurement Date Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.019997%	0.01983%	0.01986%	0.01934%	0.01894%	0.02044%	0.02030%	0.02205%	0.02269%	0.02148%
District's proportionate share of the net pension liability (asset)	\$ 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	\$ 4,020,894
District's covered-employee payroll	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	1,529,152
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	162.29%	194.59%	156.84%	218.44%	235.91%	297.69%	346.40%	476.25%	365.60%	262.95%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

		Fiscal Year Ending June 30,									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$	267,271	\$ 250,053	\$ 232,540	\$ 211,619	\$ 184,205	\$ 203,265	\$ 188,055	\$ 195,906	\$ 195,114	\$ 177,045
Contributions in relation to the contractually required contribution		(267,271)	(250,053)	(232,540)	(211,619)	(184,205)	(203,265)	(188,055)	(195,906)	(195,114)	(177,045)
District's covered-employee payroll	\$	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	\$ 1,529,152
Contributions as a percentage of covered-employee payroll	14.97%		16.26%	15.51%	12.74%	15.04%	13.79%	14.29%	14.00%	11.58%	10.94%

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

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

	Measurement Date Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	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	39,752,042
District's covered-employee payroll	\$ 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	\$ 7,742,414
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

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

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

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

	2024	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability							
Service Cost	\$ 1,815,706	\$ 2,376,140	\$ 2,680,274	\$ 1,430,271	\$ 1,371,668	\$ 1,481,803	\$ 1,797,478
Interest Cost	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	(1,313,131)	921,736	(10,578,460)	10,024,918	(6,850,594)	(4,655,118)	-
Changes of Assumptions	93,825	(12,219,213)	53,691	11,312,542	578,773	(4,954,233)	(6,676,316)
Contributions: Member	42,013	38,358	36,092	32,679	35,322	39,898	43,131
Gross Benefit Payments	(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	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)	45,550,063	54,421,610	61,930,326	38,817,537	43,172,262	50,570,621	54,975,583
District's Total OPEB Liability (Ending)	<u>\$ 46,549,944</u>	<u>\$ 45,550,063</u>	<u>\$ 54,421,610</u>	<u>\$ 61,930,326</u>	<u>\$ 38,817,537</u>	<u>\$ 43,172,262</u>	<u>\$50,570,621</u>
District's Covered Employee Payroll	\$ 11,811,218	\$ 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	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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	TITLE I PART A	TITLE II PART A	TITLE III PART A	TITLE IV PART A	IDEA - B	
					BASIC	PRESCHOOL
Revenues:						
Federal Sources	\$ 477,204	\$ 68,210	\$ 6,918	\$ 45,769	\$ 469,462	\$ 13,387
Total Revenues	\$ 477,204	\$ 68,210	\$ 6,918	\$ 45,769	\$ 469,462	\$ 13,387
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 249,900	\$ -	\$ 4,482	\$ -	\$ -	\$ -
Professional Education Services	20,988	-	-	-	6,148	13,387
Tuition	-	-	-	-	429,874	-
General Supplies	50,164	-	-	27,138	-	-
Total Instruction	321,052	-	4,482	27,138	436,022	13,387
Support Services:						
Other Salaries	9,870	38,850	-	-	-	-
Purchased Technical Services	4,500	22,657	-	9,008	33,440	-
Employee Benefits	131,572	-	2,436	-	-	-
Other Purchased Services	10,210	-	-	-	-	-
Travel	-	6,703	-	9,623	-	-
Total Support Services	156,152	68,210	2,436	18,631	33,440	-
Total Expenditures	\$ 477,204	\$ 68,210	\$ 6,918	\$ 45,769	\$ 469,462	\$ 13,387

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	CHAPTER 192 AUXILIARY																
	NONPUBLIC					SERVICES		BIPARTISAN SAFER COMMUNITIES	NJ HIGH IMPACT TUTORING	PRESCHOOL EDUCATION EXPANSION AID							
	TEXTBOOK	NURSING	SECURITY	TECHNOLOGY	EDUCATION	COMPENSATORY											
Revenues:	\$	-	\$	-	\$	-	\$	-	\$	-	\$	87,084					
Local Sources	7,847	16,320	27,004	6,664	40,815	-	-	-	-	-	1,381,714						
State Sources	-	-	-	-	-	-	-	481,953	96,777	-	-						
Federal Sources																	
Total Revenues	\$	7,847	\$	16,320	\$	27,004	\$	6,664	\$	40,815	\$	481,953	\$	96,777	\$	1,468,798	
Expenditures:																	
Instruction:																	
Salaries of Teachers	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	420,975	
Salaries of Other Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,313	
Professional Education Services	-	-	-	-	-	-	-	40,815	-	321,235	-	81,850	-	-	-	167,795	
General Supplies	-	-	-	-	-	-	6,664	-	-	-	-	-	-	-	-	44,366	
Textbooks	7,847	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,381	
Total Instruction	7,847	-	-	-	6,664	40,815	321,235	81,850	767,830								
Support Services:																	
Salaries of Other Professional Staff	-	-	-	-	-	-	16,560	-	-	-	-	-	-	-	-	65,841	
Salaries of Community Parent Involvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	129,112	
Salaries of Master Teachers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,004	
Employee Benefits	-	-	-	-	-	-	1,267	-	-	-	-	-	-	-	-	166,094	
Purchased Educational Services- Head Start	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	191,805	
Purchased Technical Services	-	16,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchased Educational Services	-	-	-	-	-	-	130,200	14,927	29,526								
Other Purchased Services	-	-	-	-	-	-	-	-	1,275	-	-	-	-	-	-	300	
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Supplies & Materials	-	-	27,004	-	-	-	12,691	-	-	-	-	-	-	-	-	-	
Total Support Services	-	16,320	27,004	-	-	-	160,718	14,927	673,957								
Facilities Acquisition & Construction Services:																	
Non-instructional Equipment	-	-	-	-	-	-	-	-	27,011								
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	27,011								
Total Expenditures	\$	7,847	\$	16,320	\$	27,004	\$	6,664	\$	40,815	\$	481,953	\$	96,777	\$	1,468,798	

**MOUNT HOLLY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

CHAPTER 193																					
HANDICAPPED SERVICES																					
CORRECTIVE SPEECH	CLASSIFICATION	AND EXAMINATION	ARP										CRRSA		SCHOOL HEALTH		STUDENT ACTIVITIES	2024			
			EMERGENCY	SDA	BEYOND SCHOOL	HOMELESS CHILDREN	MENTAL HEALTH	ESSER III	LEARNING ACCELERATION	ESSER II	MENTAL HEALTH	LEARNING ACCELERATION	WSSC	INSURANCE FUND							
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	204	\$	5,501	\$	110,785		
930		11,943	26,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,519,571			
-		-	-	40,000	18,571	88,501	2,196,776	46,251	1,988	8,756	36,079	-	-	-	-	-	-	4,096,602			
\$	930	\$	11,943	\$	26,334	\$	40,000	\$	18,571	\$	88,501	\$	2,196,776	\$	46,251	\$	17,996	\$	5,726,958		
Expenditures:																					
Instruction:																					
Salaries of Teachers	\$	-	\$	-	\$	37,152	\$	-	\$	-	\$	428,557	\$	-	\$	-	\$	3,844	\$	\$	1,179,035
Salaries of Aides	-	-	-	-	-	-	-	-	-	-	-	65,561	-	-	-	-	-	-	-	-	198,874
Purchased Professional & Educational Services	930	11,943	-	-	1,210	15,773	88,501	38,444	46,251	-	-	-	-	-	-	-	9,230	-	-	-	864,500
Other Purchased Services	-	-	-	-	-	375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375
General Supplies	-	-	-	-	-	2,423	-	385,936	-	1,988	-	-	-	-	-	204	4,922	-	-	-	523,805
Textbooks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,847
Tuition	-	-	-	-	-	-	-	519,306	-	-	-	-	-	-	-	-	-	-	-	-	949,180
Other Objects	-	-	-	-	-	-	-	4,840	-	-	-	-	-	-	-	-	-	-	-	-	6,221
Total Instruction	930	11,943	-	38,362	18,571	88,501	1,442,644	46,251	1,988	-	34,125	204	17,996	-	3,729,837						
Support Services:																					
Other Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,121
Salaries of Community Parent Involvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	129,112
Salaries of Master Teachers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,004
Purchased Technical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,925
Purchased Educational Services	-	-	-	-	-	-	-	75,003	-	8,756	-	-	-	-	-	-	-	-	-	-	268,622
Purchased Educational Services- Head Start	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	191,805
Other Employee Benefits	-	-	-	-	-	-	-	415,389	-	-	-	-	-	-	-	-	-	-	-	-	718,396
Other Purchased Services	-	-	-	-	1,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(400-500)	-	-	-	-	-	-	-	252,128	-	-	-	1,440	-	-	-	-	-	-	-	-	254,843
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,626
Supplies & Materials	-	-	-	-	-	-	-	10,443	-	-	-	514	-	-	-	-	-	-	-	-	50,652
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,093
Total Support Services	-	-	-	1,638	-	-	-	752,963	-	-	8,756	1,954	-	-	7,093	-	-	-	-	-	1,944,199
Facilities Acquisition & Construction Services:																					
Facility Improvements	-	-	26,334	-	-	-	-	1,169	-	-	-	-	-	-	-	-	-	-	-	-	27,503
Non-instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,011
Total Facilities Acquisition & Construction Services	-	-	26,334	-	-	-	-	1,169	-	-	-	-	-	-	-	-	-	-	-	-	54,514
Total Expenditures	930	11,943	26,334	40,000	18,571	88,501	2,196,776	46,251	1,988	8,756	36,079	204	17,996	7,093	5,728,550						
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,592)	-	-	-	-	-	(1,592)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,765	-	-	-	-	-	7,765
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,173	-	-	-	-	-	6,173

**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, 2024**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 444,971	\$ 420,975	\$ 23,996
Other Salaries for Instruction	169,021	133,313	35,708
Purchased Professional Services	116,375	167,795	(51,420)
Supplies	66,290	44,366	21,924
Other Objects	5,000	1,381	3,619
Total Instruction	801,657	767,830	33,827
Support Services:			
Salaries of Other Professional Staff	100,096	65,841	34,255
Salaries of Community Parent Involvement	127,937	129,112	(1,175)
Salaries of Master Teachers	90,004	90,004	-
Employee Benefits	318,700	166,094	152,606
Purchased Educational Services- Head Start	270,420	191,805	78,615
Other Purchased Services- Ed. Services	20,000	29,526	(9,526)
Other Purchased Professional Services	10,000	1,275	8,725
Travel	10,000	300	9,700
Total Support Services	947,157	673,957	273,200
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	250,000	27,011	222,989
Total Facilities Acquisition & Construction Services	250,000	27,011	222,989
Total Expenditures	\$ 1,998,814	\$ 1,468,798	\$ 530,016

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 1,460,568
Add: Actual Preschool Education Aid Carryover (June 30, 2023)	839,397
Add: Budgeted Transfer from the General Fund	87,084
Total Preschool Education Aid Funds Available for 2023-2024 Budget	2,387,049
Less: 2023-2024 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(1,998,814)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2024	388,235
Add: June 30, 2024 Unexpended Preschool Education Aid	530,016
Total Actual Preschool Education Aid Carryover	\$ 918,251
2023-2024 Preschool Education Aid Carryover Budgeted in 2024-2025	\$ 388,237

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

See Exhibits G-4 through G-6

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Internal Service Fund

Not Applicable

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I. Long-Term Debt

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**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2023	ISSUED	RETIRED	BALANCE JUNE 30, 2024
			DATE	AMOUNT					
Refunding School Bonds	10/13/2021	\$ 5,215,000	07/01/2024	\$ 380,000	0.85%	\$ 5,140,000	\$ -	\$ 375,000	\$ 4,765,000
			07/01/2025	385,000	1.20%				
			07/01/2026	395,000	1.40%				
			07/01/2027	410,000	1.65%				
			07/01/2028	430,000	1.80%				
			07/01/2029	440,000	2.00%				
			07/01/2030	455,000	2.15%				
			07/01/2031	460,000	2.25%				
			07/01/2032	470,000	2.35%				
			07/01/2033	470,000	2.45%				
			07/01/2034	470,000	2.55%				
Total						\$ 5,140,000	\$ -	\$ 375,000	\$ 4,765,000

MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SERIES	DATE OF NOTE	TERM OF NOTE	INTEREST RATE	ORIGINAL AMOUNT		AMOUNT OUTSTANDING JUNE 30, 2023	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2024
				PRINCIPAL	INTEREST				
Interactive Whiteboards	9/1/2018	5 Years	2.15%	\$ 220,000	\$ 12,794	\$ 44,000	\$ -	\$ 44,000	\$ -
Interactive Whiteboards	4/1/2020	5 Years	1.75%	110,000	5,074	44,000	-	22,000	22,000
Copiers	5/28/2023	5 Years	4.20%	149,994	18,196	-	145,529	27,519	118,010
Total						\$ 88,000	\$ 145,529	\$ 93,519	\$ 140,010

**MOUNT HOLLY SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 467,394	\$ -	\$ 467,394	\$ 467,394	\$ -
Interest	-	-	-	5,893	5,893
Total Revenues	467,394	-	467,394	473,287	5,893
Expenditures:					
Regular Debt Service:					
Principal	525,000	-	525,000	375,000	150,000
Interest	92,394	-	92,394	92,394	-
Total Expenditures	617,394	-	617,394	467,394	150,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(150,000)	-	(150,000)	5,893	155,893
Other Financing Sources/(Uses):					
Operating Transfers In	150,000	-	150,000	150,000	-
Total Other Financing Sources/(Uses)	150,000	-	150,000	150,000	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	-	-	-	155,893	155,893
Fund Balances July 1,	(29,595)	-	(29,595)	(29,595)	-
Fund Balances June 30,	\$ (29,595)	\$ -	\$ (29,595)	\$ 126,298	\$ 155,893

**MOUNT HOLLY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	OUTSTANDING BALANCE 2023	ADDITIONS/ (DEDUCTIONS)	OUTSTANDING BALANCE 2024
Compensated Absences	\$ 656,876	\$ (22,959)	\$ 633,917

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in Capital,										
Assets										
Restricted										
Capital Projects	\$ 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	\$ 16,362,715
Debt Service	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	-
New Jersey Unemployment Fund	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762
Student Activities	241,923	233,668	186,851	176,599	-	-	-	-	-	-
Other Purposes	6,173	7,765	3,358	8,419	-	-	-	-	-	-
Unrestricted	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	5,620,575
	(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)	(4,997,172)
Total Governmental Activities										
Net Position	\$ 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	\$ 17,003,880
Business-Type Activities:										
Net Investment in Capital,										
Assets										
Unrestricted	\$ 184,543	\$ 157,732	\$ 117,787	\$ 131,148	\$ 8,966	\$ 8,966	\$ 8,566	\$ 17,271	\$ 25,947	\$ 31,008
	365,877	380,200	320,847	102,953	163,391	127,153	104,020	169,115	138,868	104,099
Total Business-Type Activities										
Net Position	\$ 550,420	\$ 537,932	\$ 438,634	\$ 234,101	\$ 172,357	\$ 136,119	\$ 112,586	\$ 186,386	\$ 164,815	\$ 135,107
Government-Wide:										
Net Investment in Capital,										
Assets										
Restricted										
Capital Projects	\$ 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	\$ 16,393,723
Debt Service	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	-
New Jersey Unemployment	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762
Student Activities	241,923	233,668	186,851	176,599	-	-	-	-	-	-
Other Purposes	6,173	7,765	3,358	8,419	-	-	-	-	-	-
Unrestricted	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	5,620,575
	(2,959,518)	(3,601,397)	(3,999,631)	(5,152,981)	(5,713,718)	(5,415,912)	(6,352,799)	(6,313,740)	(8,265,589)	(4,893,073)
Total District Net Position	\$ 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	\$ 17,138,987

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 5,387,538
Special Education	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	2,320,943
Other Instruction	870,291	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399
Support Services & Undistributed Costs:										
Tuition	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	844,523
Student & Instruction Related Services	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	1,963,948
General Administrative Services	457,686	441,024	435,783	501,277	443,119	458,771	413,852	379,281	340,412	353,946
School Administrative Services	842,361	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063
Central Services	595,799	550,427	598,534	568,775	557,810	517,673	502,389	506,466	466,135	448,173
Plant Operations & Maintenance	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	1,833,142
Pupil Transportation	658,397	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534
Unallocated Benefits	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	6,180,343
Changes in Long-Term Debt	104,279	110,647	342,443	188,886	287,936	225,921	311,642	277,390	305,584	118,547
Unallocated Depreciation	888,488	931,244	831,852	925,786	872,633	793,058	707,170	647,006	440,877	255,799
Capital Asset Adjustments	-	-	-	-	-	279,998	-	-	-	-
Total Governmental Activities Expense	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	21,178,898
Business-Type Activities:										
Food Service	625,468	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455
Total Business-Type Activities Expense	625,468	644,609	610,950	254,420	431,842	514,756	639,647	504,577	493,880	509,455
Total District Expenses	\$ 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	\$ 21,688,353
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 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	\$ 4,345,764
Total Governmental Activities Program Revenues	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	4,345,764
Business-Type Activities:										
Charges for Services:										
Food Service	79,252	103,326	11,818	5,742	99,337	122,043	130,749	118,697	125,126	137,893
Operating Grants & Contributions	557,879	634,421	803,413	201,839	365,827	413,004	433,151	406,867	398,279	347,101
Total Business Type Activities Program Revenues	637,131	737,747	815,231	207,581	465,164	535,047	563,900	525,564	523,405	484,994
Total District Program Revenues	\$ 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	\$ 4,830,758

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

	FISCAL YEAR ENDING JUNE 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (16,833,134)
Business-Type Activities	11,663	93,138	204,281	(46,839)	33,322	20,291	(75,747)	20,987	29,525	(24,461)
Total Government-Wide Net Expense	\$ (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)	\$ (16,857,595)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for	\$ 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	\$ 7,400,372
General Purposes, Net										
Unrestricted Grants &	14,460,033	13,132,573	11,757,354	10,998,269	10,623,673	10,398,158	12,792,381	14,036,919	16,480,283	12,014,357
Contributions	7,893	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608
Investment Earnings										
Miscellaneous Income	1,006,398	638,938	307,311	347,931	717,419	515,937	492,265	426,076	288,937	208,059
Gain/Loss on Capital Assets	-	-	-	(222,529)	-	-	-	-	-	-
Total Governmental Activities	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	19,646,396
Business-Type Activities:										
Investment Earnings	6,454	3,416	252	261	2,916	3,242	1,947	584	183	95
Adjustment to Capital Assets	(5,629)	2,744	-	108,322	-	-	-	-	-	-
Total Business-Type Activities	825	6,160	252	108,583	2,916	3,242	1,947	584	183	95
Total Government-Wide	\$ 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	\$ 19,646,491
Change in Net Position:										
Governmental Activities	\$ 2,932,880	\$ 1,426,084	\$ 1,079,705	\$ (823,282)	\$ 1,518,696	\$ 504,242	\$ 1,122,064	\$ 44,243	\$ 7,150,203	\$ 2,813,262
Business-Type Activities	12,488	99,298	204,533	61,744	36,238	23,533	(73,800)	21,571	29,708	(24,366)
Total District	\$ 2,945,368	\$ 1,525,382	\$ 1,284,238	\$ (761,538)	\$ 1,554,934	\$ 527,775	\$ 1,048,264	\$ 65,814	\$ 7,179,911	\$ 2,788,896

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

	FISCAL YEAR ENDING JUNE 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Restricted for:										
Capital Reserve	\$ 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	\$ 3,064,793
Emergency Reserve	-	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000
Maintenance Reserve	1,019,000	1,019,481	762,382	908,782	962,782	651,782	965,782	965,782	965,782	865,782
New Jersey Unemployment Fund	241,923	233,668	186,851	176,599	-	-	-	-	-	-
Excess Surplus	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
Excess Surplus - Designated for Subsequent Year's Expenditures	2,100,000	2,000,000	2,075,000	2,250,000	1,600,000	1,100,000	975,000	825,000	720,000	720,000
Assigned to:										
Other Purposes	827,935	44,075	176,555	46,495	162,713	-	-	-	-	-
Unassigned	(513,684)	(47,520)	(40,309)	(131,818)	(621,021)	(288,504)	(315,906)	(368,193)	(356,354)	(43,660)
Total General Fund	\$ 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	\$ 5,576,915
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	\$ 6,173	\$ 7,765	\$ 3,358	\$ 8,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	126,298	(29,595)	288,835	7,855	19,365	193,862	46,242	99,829	39,779	17,762
Capital Projects Fund	-	-	-	343,369	392,422	392,422	623,006	627,711	2,987,248	6,845,151
Total All Other Governmental Funds	\$ 132,471	\$ (21,830)	\$ 292,193	\$ 359,643	\$ 411,787	\$ 586,284	\$ 669,248	\$ 727,540	\$ 3,027,027	\$ 6,862,913

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Tax Levy	\$ 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	\$ 7,400,372
Tuition Charges	664,028	318,485	215,502	285,998	544,287	377,752	204,659	243,834	141,226	162,954
Transportation	-	-	-	27,748	-	-	-	-	-	-
Interest Earnings	7,893	4,072	2,653	2,778	7,077	12,287	22,192	26,500	14,785	23,608
Miscellaneous	453,155	403,874	111,953	38,534	178,945	146,958	287,606	128,480	140,479	45,105
State Sources	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	13,580,626
Federal Sources	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	1,065,102
Total Revenue	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	22,277,767
Expenditures:										
Instruction:										
Regular Instruction	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	5,387,538
Special Education Instruction	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	2,320,943
Other Special Instruction	870,291	1,055,510	892,350	463,449	469,999	519,880	449,465	467,110	506,400	439,399
Support Services & Undistributed Costs:										
Tuition	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	844,523
Student & Instruction Related Services	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	1,963,948
School Administrative Services	842,361	812,079	825,693	747,588	734,271	728,340	702,518	690,529	721,377	693,063
General Administrative Services	1,053,485	991,451	1,034,317	1,070,052	1,000,929	976,444	916,241	885,747	806,547	788,842
Plant Operations & Maintenance	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	1,762,335
Pupil Transportation	658,397	526,779	334,703	373,672	316,473	431,478	400,482	422,531	376,631	339,534
Unallocated Benefits	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	4,478,534
Interest & Other Charges	105,671	111,615	224,878	193,526	201,167	212,644	326,400	241,582	322,898	-
Capital Outlay	2,073,301	461,067	1,160,707	1,009,801	989,154	2,160,946	875,070	6,832,049	10,194,167	3,236,240
Debt Service:										
Principal	375,000	390,000	305,000	300,000	285,000	275,000	255,000	240,000	-	-
Total Expenditures	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	22,254,899
Excess (Deficiency) of Revenues Over/(Under) Expenditures	941,042	920,118	(243,712)	284,026	1,063,017	(980,448)	947,114	(1,584,652)	(2,358,432)	22,868
Other Financing Sources/(Uses):										
Financed Purchases	145,529	-	-	-	110,000	313,926	-	-	-	-
Bond Proceeds	-	-	95,597	-	-	-	-	-	-	6,800,220
Transfers In/(Out)	-	-	-	-	-	-	-	53,762	7,232	-
Total Other Financing Sources/(Uses)	145,529	-	95,597	-	110,000	313,926	-	53,762	7,232	6,800,220
Net Change in Fund Balances	\$ 1,086,571	\$ 920,118	\$ (148,115)	\$ 284,026	\$ 1,173,017	\$ (666,522)	\$ 947,114	\$ (1,530,890)	\$ (2,351,200)	\$ 6,823,088
Debt Service as a Percentage of Noncapital Expenditures	1.15%	1.30%	1.08%	1.21%	1.24%	1.20%	1.19%	1.15%	0.00%	0.00%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	CAPITAL RESERVE INTEREST	TUITION	TRANSPORTATION	MISCELLANEOUS	TOTAL
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
2015	3,846	14,785	162,954	-	32,791	214,376

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
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	N/A	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
2015	11,853,500	508,003,300	N/A	7,100	93,835,500	8,136,400	19,445,000	641,280,800	5,439,973	646,720,773	296,032,400	0.362	595,346,901

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		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	TAX RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF MOUNT HOLLY	REGIONAL SCHOOL DISTRICT	BURLINGTON COUNTY	
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	0.421	0.033	0.454	0.890	0.454	0.224	2.452
2022	0.416	0.028	0.444	0.866	0.444	0.187	2.345
2021	0.397	0.030	0.427	0.837	0.427	0.177	2.274
2020	0.381	0.032	0.413	0.822	0.413	0.096	2.146
2019	0.355	0.014	0.369	0.822	0.369	0.097	2.046
2018	0.346	0.018	0.364	0.791	0.364	0.097	1.996
2017	0.343	0.018	0.361	0.746	0.361	0.096	1.945
2016	0.345	0.017	0.362	0.733	0.362	0.096	1.929
2015	0.342	0.020	0.362	0.733	0.349	0.091	1.915

Source: Municipal Tax Collector

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

TAXPAYER	2024		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
	Not Available		
Total	\$ -		0.00%

TAXPAYER	2015		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
Levine Properties, LLC	12,967,000	1	1.97%
Mount Holly Associates	11,220,000	2	1.78%
Verizon Property Tax Department	7,669,457	3	1.48%
Virtua Memorial Hospital	6,781,800	4	1.05%
Mount Holly Equities	5,731,700	5	0.92%
Richard A. Alaimo	4,000,200	6	0.61%
Amcor Flexibles, Inc.	3,605,200	7	0.55%
K&S 100, LLC	2,423,900	8	0.40%
Baird, LLC % Marvin F. Poer	2,349,700	9	0.36%
Public Storage Inc.	1,976,000	10	0.30%
	\$ 58,724,957		9.42%

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
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%	-
2015	7,400,372	7,400,372	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES			
2024	\$ 4,765,000	\$ 140,010	\$ 4,905,010	N/A	N/A
2023	5,140,000	88,000	5,228,000	N/A	N/A
2022	5,530,000	195,571	5,725,571	0.62%	409
2021	5,584,000	326,649	5,910,649	0.68%	433
2020	5,884,000	456,229	6,340,229	0.24%	459
2019	6,169,000	452,366	6,621,366	0.27%	154
2018	6,444,000	25,730	6,469,730	0.31%	169
2017	6,699,000	85,928	6,784,928	0.36%	184
2016	6,939,000	143,932	7,082,932	0.38%	202
2015	6,939,000	199,818	7,138,818	0.39%	217

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

a. Based on Per Capita Income for Burlington County

b. Based on School District Population as of July 1

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE ^a OF PROPERTY	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2024	\$ 4,765,000	\$ -	\$ 4,765,000	0.74%	N/A
2023	5,140,000	-	5,140,000	0.78%	73
2022	5,530,000	-	5,530,000	0.85%	80
2021	5,584,000	-	5,584,000	0.85%	83
2020	5,884,000	-	5,884,000	0.91%	93
2019	6,169,000	-	6,169,000	0.96%	99
2018	6,444,000	-	6,444,000	1.00%	108
2017	6,699,000	-	6,699,000	1.04%	118
2016	6,939,000	-	6,939,000	1.08%	126
2015	6,939,000	-	6,939,000	1.08%	129

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

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

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Mount Holly	\$ 17,393,300	100.000%	\$ 17,393,300
Rancocas Valley Regional High School	24,420,000	13.879%	3,389,224
Burlington County General Obligation Debt	189,976,353	1.016%	<u>1,929,354</u>
Subtotal, Overlapping Debt			22,711,877
Mount Holly School District			<u>4,765,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 27,476,877</u></u>

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

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

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

	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 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	\$ 19,581,640
Total Net Debt Applicable to Limit	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	6,939,000
Legal Debt Margin	\$ 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	\$ 12,642,640
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.84%	22.34%	24.05%	24.89%	31.91%	33.56%	3.57%	34.50%	35.56%	35.44%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2023	\$ 650,707,100
2022	645,961,100
2021	663,357,550

\$ 1,960,025,750

\$ 653,341,917

Average Equalized Valuation of Taxable Property

\$ 19,600,258

Debt Limit (3.0% of Average Equalization Value)

4,765,000

Net Bonded School Debt

\$ 14,835,258

Legal Debt Margin

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

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

YEAR	POPULATION ^a	PERSONAL INCOME ^b	PER CAPITA PERSONAL INCOME ^c	UNEMPLOYMENT RATE ^d
2023	N/A	N/A	N/A	N/A
2022	10,018	N/A	70,488	4.9%
2021	9,977	693,361,592	69,496	4.9%
2020	9,525	639,641,850	67,154	7.4%
2019	9,551	607,491,355	63,605	4.7%
2018	9,561	593,929,320	62,120	5.5%
2017	9,594	572,368,446	59,659	4.2%
2016	9,578	544,145,336	56,812	4.5%
2015	9,548	527,307,396	55,227	7.0%
2014	9,490	510,059,030	53,747	8.5%

Source:

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

b Personal income calculated using population and per capita personal income

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

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

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

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

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	55	55	53	51	49	47	49	52	54	55
Special Education	22	22	29	21	20	15	15	13	16	20
Other Special Education	19	18	9	10	10	10	11	11	11	11
Other Instruction	23	24	23	20	21	19	18	17	15	11
Support Services:										
Student & Instruction Related Services	20	18	16	17	16	17	13	14	13	9
School Administrative Services	15	16	17	16	12	13	14	13	14	14
General & Business Administrative Service	7	6	6	6	6	6	6	6	6	6
Plant Operations & Maintenance	15	15	14	13	14	14	13	12	16	13
Total	176	174	167	154	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				
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%	119	1-9.13	1-9.13	1,065	983	2.80%	92.30%
2021	1,010	20,512,118	20,309	-7.34%	102	1-8.91	1-11.1	1,036	986	-4.70%	95.17%
2020	1,078	23,061,562	21,393	3.34%	100	1-12.0	1-8.7	1,086	1,050	2.13%	96.69%
2019	1,042	22,837,976	21,917	4.43%	91	1-12.6	1-10.2	1,064	1,010	2.91%	94.92%
2018	1,035	21,426,608	20,702	1.65%	93	1-11.2	1-11.0	1,035	983	3.86%	94.98%
2017	997	20,924,142	20,987	10.79%	93	1-11.3	1-9.8	997	942	1.30%	94.48%
2016	1,004	20,101,210	20,366	11.47%	98	1-10.4	1-10.6	984	934	-1.29%	94.92%
2015	1,020	19,018,659	18,943	6.22%	97	1-10.7	1-8.8	997	921	-0.86%	92.38%

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	355	357	292	276	342	403	374	371	349	354
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	331	310	324	312	321	309	314	325	351
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	421	452	439	410	424	340	352	312	310	272
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, 2024:

 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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
John Brainerd School	\$ 70,219	\$ 67,830	\$ 68,900	\$ 69,949	\$ 35,694	\$ 136,723	\$ 41,699	\$ 42,099	\$ 24,565	\$ 48,390
Gertrude Folwell School	57,069	84,535	132,275	58,551	61,772	181,044	36,039	33,639	34,063	75,722
F.W. Holbein Schools	119,569	127,150	176,791	78,321	84,118	254,438	44,020	51,608	60,880	62,437
Total School Facilities	\$ 246,857	\$ 279,515	\$ 377,966	\$ 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, 2024**

	Coverage	Deductible/Retention
Commercial Package Policy: (1)		
Building & Contents (All locations)	\$ 62,141,862	\$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	\$ 100,000	\$500 D
Excess Liability (2)	\$ 30,000,000	
Workers Compensation (3)	Statutory	
Employers Liability: (3)		
Bodily Injury by Accident	\$ 3,000,000	
Bodily Injury by Disease	\$ 3,000,000	
Bodily Injury by Disease	\$ 3,000,000	
Student Accident (4)	\$ 1,000,000	
Bonds (5)		
Board Secretary/BA	\$ 250,000	
Pollution Legal Liability (6)	\$ 1,000,000	\$10,000 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.

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND 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, 2024, 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 October 28, 2024.

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

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

Medford, New Jersey
October 28, 2024



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, 2024. 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, 2024.

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.

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.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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

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

Medford, New Jersey
October 28, 2024

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

MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2024

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2023	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2024		MEMO		
									(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:													
General Fund:													
Equalization Aid	495-034-5120-078	\$11,787,197	7/1/23-6/30/24	\$ -	\$ 11,787,197	\$ (11,787,197)	\$ -	\$ -	\$ -	\$ -	\$ 1,095,425	\$ 11,787,197	
Adjustment Aid	495-034-5120-085	1,025,803	7/1/23-6/30/24	-	1,025,803	(1,025,803)	-	-	-	-	95,332	1,025,803	
Categorical Security Aid	495-034-5120-084	337,977	7/1/23-6/30/24	-	337,977	(337,977)	-	-	-	-	31,409	337,977	
Categorical Special Education Aid	495-034-5120-089	755,237	7/1/23-6/30/24	-	755,237	(755,237)	-	-	-	-	70,187	755,237	
Total State Aid Public				-	13,906,214	(13,906,214)	-	-	-	-	1,292,353	13,906,214	
Categorical Transportation Aid	495-034-5120-014	127,355	7/1/23-6/30/24	-	127,355	(127,355)	-	-	-	-	11,835	127,355	
Reimbursement of Nonpublic Transportation	23-103190	18,200	7/1/23-6/30/24	-	-	(18,200)	-	-	-	(18,200)	-	18,200	
Reimbursement of Nonpublic Transportation	22-103190	9,672	7/1/22-6/30/23	(9,672)	9,672	-	-	-	-	-	-	-	
Extraordinary Aid	495-034-5120-044	322,586	7/1/22-6/30/24	-	-	(322,586)	-	-	-	-	-	322,586	
Extraordinary Aid	495-034-5120-044	314,862	7/1/22-6/30/23	(314,862)	314,862	-	-	-	-	(322,586)	-	-	
Homeless Tuition Aid	495-034-5123-005	233,031	7/1/23-6/30/24	-	-	(233,031)	-	-	-	(233,031)	-	233,031	
Homeless Tuition Aid	495-034-5123-005	125,932	7/1/22-6/30/23	(125,932)	125,932	-	-	-	-	-	-	-	
Maintenance of Equity	495-034-5120-128	322,792	7/1/22-6/30/23	(322,792)	322,792	-	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	757,058	7/1/23-6/30/24	-	720,086	(757,058)	-	-	-	(36,972)	-	757,058	
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	495-034-5094-003	743,569	7/1/22-6/30/23	(36,420)	36,420	-	-	-	-	-	-	-	
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,807	7/1/23-6/30/24	-	1,807	(1,807)	-	-	-	-	-	1,807	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	3,568,648	7/1/23-6/30/24	-	3,568,648	(3,568,648)	-	-	-	-	-	3,568,648	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	971,255	7/1/23-6/30/24	-	971,255	(971,255)	-	-	-	-	-	971,255	
Total General Fund				(809,678)	20,105,043	(19,906,154)	-	-	-	(610,789)	-	19,906,154	
Special Revenue Fund:													
New Jersey Nonpublic Aid:													
Textbook Aid	100-034-5120-064	7,862	7/1/23-6/30/24	-	7,862	(7,847)	-	-	-	-	-	7,847	
Textbook Aid	100-034-5120-064	9,438	7/1/22-6/30/23	28	-	-	-	(28)	-	-	-	-	
Nursing Aid	100-034-5120-070	16,320	7/1/23-6/30/24	-	16,320	(16,320)	-	-	-	-	-	16,320	
Technology Aid	100-034-5120-373	6,664	7/1/23-6/30/24	-	6,664	(6,664)	-	-	-	-	-	6,664	
Technology Aid	100-034-5120-373	6,006	7/1/22-6/30/23	29	-	-	-	(29)	-	-	-	-	
Security Aid	100-034-5120-509	27,880	7/1/23-6/30/24	-	27,880	(27,004)	-	-	-	-	876	27,004	
Security Aid	100-034-5120-509	29,315	7/1/22-6/30/23	10,731	-	-	-	(10,731)	-	-	-	-	
Auxiliary Services:													
Compensatory Education	100-034-5120-067	41,358	7/1/23-6/30/24	-	41,358	(40,815)	-	-	-	-	543	40,815	
Compensatory Education	100-034-5120-067	45,462	7/1/22-6/30/23	1,384	-	-	-	(1,384)	-	-	-	-	
Handicapped Services:													
Examination & Classification	100-034-5120-066	12,134	7/1/23-6/30/24	-	12,134	(11,943)	-	-	-	-	191	11,943	
Corrective Speech	100-034-5120-067	4,650	7/1/23-6/30/24	-	4,650	(936)	-	-	-	3,720	-	936	
Corrective Speech	100-034-5120-067	2,290	7/1/22-6/30/23	930	-	-	-	(930)	-	-	-	-	
Homeless Tuition	Unavailable	1,240	7/1/22-6/30/23	(1,240)	1,240	-	-	-	-	-	-	-	
NISDA Emergent and Capital Maintenance	Unavailable	26,198	7/1/23-6/30/24	-	26,198	(26,198)	-	-	-	-	-	26,198	
NISDA Emergent and Capital Maintenance	Unavailable	25,136	7/1/22-6/30/23	136	-	(136)	-	-	-	-	-	136	
Preschool Education Aid	495-034-5120-086	1,460,568	7/1/23-6/30/24	-	1,460,568	(542,317)	-	-	-	918,251	-	542,317	
Preschool Education Aid	495-034-5120-086	1,434,510	7/1/22-6/30/23	839,397	-	(839,397)	-	-	-	-	-	839,397	
Total Special Revenue Fund				851,395	1,604,874	(1,519,571)	-	(13,102)	-	918,251	5,345	1,519,571	
Enterprise Fund:													
State School Lunch Program	495-010-3350-001	13,340	7/1/23-6/30/24	-	12,470	(13,340)	207	-	-	(663)	-	13,340	
State School Lunch Program	495-010-3350-001	12,654	7/1/22-6/30/23	(888)	888	-	-	-	-	-	-	-	
State School Breakfast Program	495-010-3350-002	1,601	7/1/23-6/30/24	-	1,494	(1,601)	-	-	-	(107)	-	1,601	
State School Breakfast Program	495-010-3350-002	1,421	7/1/22-6/30/23	(78)	78	-	-	-	-	-	-	-	
Working Class Families State Supplement Lunch	495-010-3350-006	8,689	7/1/23-6/30/24	-	8,285	(8,689)	-	-	-	(404)	-	8,689	
Working Class Families State Supplement Breakfast	495-010-3350-006	451	7/1/23-6/30/24	-	428	(451)	-	-	-	(23)	-	451	
Total Enterprise Fund				(966)	23,643	(24,081)	207	-	-	(1,197)	-	24,081	
Total State Financial Assistance				\$ 40,751	\$ 21,733,560	\$(21,449,806)	\$ 207	\$ (13,102)	\$ (611,986)	\$ 918,251	\$ 5,345	\$ 1,450,245	
State Financial Assistance Programs not subject to Calculation for Major Program Determination:													
On-Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	1,807	7/1/23-6/30/24	-	-	1,807	-	-	-	-	-	-	
On-Behalf Post Retirement Pension Contributions	495-034-5094-002	3,568,648	7/1/23-6/30/24	-	-	3,568,648	-	-	-	-	-	-	
On-Behalf Post Retirement Medical Contributions	495-034-5094-001	971,255	7/1/23-6/30/24	-	-	971,255	-	-	-	-	-	-	
Total State Financial Assistance subject to Calculation for Major Program Determination													
\$ (16,908,096)													

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2024. 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, 2024.

Note 3. Relationship to Basic Financial Statements

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

**MOUNT HOLLY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(199,982) for the general fund and \$21,292 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	\$ 52,629	\$ 19,706,172	\$ 19,758,801
Special Revenue Fund	4,096,602	1,540,863	5,637,465
Food Service Fund	<u>533,798</u>	<u>24,081</u>	<u>557,879</u>
Total Awards & Financial Assistance	<u>\$ 4,683,029</u>	<u>\$ 21,271,116</u>	<u>\$ 25,954,145</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Mount Holly School District had no loan balances outstanding at June 30, 2024.

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> 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 <u> X </u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U, 84.425W, 84.425V	S425D210027, S425U210027, S425W210027, 24E00195	COVID-19 Education Stabilization Aid

Dollar threshold used to determine Type A programs	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 X no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5094-003	Reimbursed T.P.A.F. Social Security Contributions

**MOUNT HOLLY SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

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

None.

STATE FINANCIAL ASSISTANCE

None.

**MOUNT HOLLY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Financial Statement Findings

Finding 2023-001:

Condition:

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

Current Status:

This finding has been corrected.

Federal Awards-N/A

State Financial Assistance – N/A